

AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
AMBALA FOUNDATION

for the year ended 30th June, 2018

FAMES & R
Chartered Accountants
Sharaqa Mac (1st floor), Flat : 2A
House : 3/1 & 3/2, Bijjoynagar
Dhaka-1000

TABLE OF CONTENTS

SI #	Particulars	Page #
1	Auditor's Report	1
2	Statement of Financial Position	2
3	Statement of Profit or Loss and other Comprehensive Income	3
4	Statement of Receipts & Payments	4
5	Statement of Changes in Equity	5
6	Statement of Cash Flows	6
7	Notes to the Financial Statements	7-27
8	Schedule of Property, Plant & Equipment	28-29
8	Eligibility Criteria Compliance Certification	30-32
9	Budget	33-36
10	Letter to the Management (Annexure-B)	37-45

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of **Ambala Foundation**, which comprise the Statement of Financial Position as at 30 June 2018 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Receipts and Payments, Statement of Cash Flows and Statement of Changes in Capital Fund for the year then ended and a summary of significant accounting policies and other explanatory information of Microfinance Program.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies summarized in the note 3 to 5 to the financial statements and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the Statement of Financial Position of **Ambala Foundation** as of June 30, 2018, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies summarized in the note 3 to 5 to the financial statements.

We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law and MRA Act & Rule have been kept by **Ambala Foundation** so far as it appeared from our examination of these books;
- the statement of financial position and the statement of Profit or Loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- guidelines on prevention of Money Laundering and Terrorist Financing issued by Bangladesh bank have been complied with.

Dated : 29th November, 2018
Place : Dhaka




FAMES & R
Chartered Accountants




AMBALA FOUNDATION
Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Amount in Taka			Amount in Taka		
		FY 2017-2018			FY 2016-2017		
		Micro Finance	Development	Total	Micro Finance	Development	Total
Non-Current Assets							
Property, Plant & Equipment	6	83,854,903	46,671,801	130,526,704	19,149,864	90,707,919	109,857,783
Intangible Assets	7	6,021,842	-	6,021,842	1,353,782	-	1,353,782
Other Non Current Assets	8	200,448	-	200,448	251,203	-	251,203
Total Non-Current Assets		90,077,193	46,671,801	136,748,994	20,754,849	90,707,919	111,462,768
Current Assets							
Investment FDR	9	248,759,475	-	248,759,475	196,173,923	-	196,173,923
Advance, Security & Prepaid	10	14,086,859	133,683,605	147,770,464	12,437,105	49,730,790	62,167,895
Loan to Group Members	11	2,532,388,638	337,615	2,532,726,253	2,000,742,728	800,166	2,001,542,894
Donation Receivable	12	-	100,000	100,000	-	-	-
Others Current Assets	13	-	-	-	-	-	-
Cash in Hand and at Bank	14	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099
Total Current Assets		2,916,383,031	138,857,788	3,055,240,819	2,236,532,579	53,078,232	2,289,610,811
Total Assets		3,006,460,224	185,529,589	3,191,989,813	2,257,287,428	143,786,151	2,401,073,579
Capital Fund and Reserves							
Retained Surplus		379,851,860	22,112,436	401,964,296	193,681,649	19,703,321	213,384,970
Reserve Fund	15	42,205,762	-	42,205,762	21,520,183	-	21,520,183
Development Program Fund	16	-	-	-	-	50,000	50,000
Total Capital Fund and Reserves		422,057,622	22,112,436	444,170,058	215,201,832	19,753,321	234,955,153
Non Current Liabilities							
Long Term Borrowings-PKSF	17	69,100,000	-	69,100,000	56,533,326	-	56,533,326
Long Term Borrowings-Bank & Others	18	1,450,981,842	420,000	1,451,401,842	1,268,860,374	960,000	1,269,820,374
		1,520,081,842	420,000	1,520,501,842	1,325,393,700	960,000	1,326,353,700
Current Liabilities							
Member Savings	19	853,686,516	93,562	853,780,078	586,414,745	145,738	586,560,483
Short Term Loan & Liability	20	117,968,581	108,062,405	226,030,986	46,245,483	83,215,938	129,461,421
Loan Loss Provision	21	36,268,159	3,376	36,271,535	25,338,707	8,002	25,346,709
PF, WF, Gratuity, IT etc.	22	51,692,748	52,531,477	104,224,225	55,815,103	37,797,116	93,612,219
Accounts Payable	23	4,704,756	2,306,333	7,011,089	2,877,858	1,906,036	4,783,894
Total Current Liabilities		1,064,320,760	162,997,153	1,227,317,913	716,691,896	123,072,830	839,764,726
Total Capital Fund and Liabilities		3,006,460,224	185,529,589	3,191,989,813	2,257,287,428	143,786,151	2,401,073,579

The annexed notes form an integral part of these financial statements


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Taufiq Hossain
Director

Singed as per our separate report of even date.

Date : 29th November, 2018
Place : Dhaka



FAMES & R
Chartered Accountants

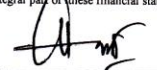


AMBALA FOUNDATION
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June, 2018

Particulars	Notes	Amount in Taka			Amount in Taka		
		FY 2017-2018			FY 2016-2017		
		Micro Finance	Development	Total	Micro Finance	Development	Total
Income							
Service Charge	24	630,831,576	16,595,418	647,426,994	409,890,777	11,329,377	421,220,154
Interest on Regular & FDR account	25	9,204,493	63,735	9,268,228	9,770,980	113,216	9,884,196
Others Income	26	1,310,393	2,300,690	3,611,083	929,695	1,909,648	2,839,343
Donation, Subscription & Reimbursable Income	27	2,783,932	1,971,958	4,755,890	1,634,901	1,370,095	3,004,996
Donor grants	28	-	431,144	431,144	-	3,347,174	3,347,174
Total		644,130,394	21,362,945	665,493,339	422,226,353	18,069,510	440,295,863
Expenditure							
Salary & benefits	29	148,401,760	1,083,779	149,485,539	88,170,451	852,688	89,023,139
General & Administration expenses							
Office rent & stationary	30	15,027,460	62,414	15,089,874	10,208,766	49,818	10,258,584
Printing & utility	31	6,187,128	7,043	6,194,171	4,148,361	2,397	4,150,758
Communication	32	787,607	36,863	824,470	1,768,385	34,962	1,803,347
Tours & travel	33	6,240,371	124,018	6,364,389	5,112,715	122,110	5,234,825
Repairs & maintenance	34	10,357,605	124,490	10,482,095	3,253,703	84,054	3,337,757
Advertisement & publications	35	946,262	6,150	952,412	999,048	3,040	1,002,088
Legal expenses	36	3,454,578	115,871	3,570,449	3,144,928	98,777	3,243,705
Training / Workshop / Meeting etc.	37	2,262,209	-	2,262,209	970,959	-	970,959
Other admin & general expenses	38	16,176,958	348,670	16,525,628	11,713,747	767,638	12,481,385
Gratuity, pension & insurance premium	39	3,106,976	-	3,106,976	3,337,975	-	3,337,975
Lose On Disposal of Fixed Assets	40	-	-	-	175,019	-	175,019
Sub-total		64,547,154	825,519	65,372,673	44,833,606	1,162,796	45,996,402
Financial expenses							
Interest to PKSF & Bank	41	155,901,908	16,017	155,917,925	123,062,255	4,559	123,066,814
Interest on savings	42	34,335,318	1,583	34,336,901	20,021,051	5,270	20,026,321
Interest on other loan fund	43	15,566,222	16,755,750	32,321,972	12,425,445	10,459,161	22,884,606
Sub-total		205,803,448	16,773,350	222,576,798	155,508,751	10,468,990	165,977,741
Programmatic expenses							
Programmatic exp. & contributions	44	-	249,960	249,960	-	3,438,705	3,438,705
Sub-total		-	249,960	249,960	-	3,438,705	3,438,705
Expenses for provision & reserve							
Expenses for provision & reserved	45	16,210,137	-	16,210,137	10,546,181	3,223	10,549,404
Sub-total		16,210,137	-	16,210,137	10,546,181	3,223	10,549,404
Depreciation on non current assets							
Depreciation	46	5,629,539	25,848	5,655,387	2,626,997	341,243	2,968,240
Sub-total		5,629,539	25,848	5,655,387	2,626,997	341,243	2,968,240
Total expenditure		440,592,038	18,958,456	459,550,494	301,685,986	16,267,645	317,953,631
Excess of income over expenditure		203,538,356	2,404,489	205,942,845	120,540,367	1,801,865	122,342,232
Total		644,130,394	21,362,945	665,493,339	422,226,353	18,069,510	440,295,863

The annexed notes form an integral part of these financial statements


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Tauhqa Hossain
Director

Singed as per our separate report of even date.

Date : 29th November, 2018
Place : Dhaka

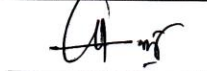

FAMES & R
Chartered Accountants



AMBALA FOUNDATION
Receipts & Payments Statement
for the period from 1st July 2017 to 30th June 2018

Particulars	Amount in Taka			Amount in Taka		
	FY 2017-2018			FY 2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Receipts						
Opening Balance						
Cash in hand	7,423,472	40,497	7,463,969	2,534,598	39,777	2,574,375
Cash at bank	19,755,351	2,506,779	22,262,130	25,098,319	6,005,431	31,103,750
Sub-Total	27,178,823	2,547,276	29,726,099	27,632,917	6,045,208	33,678,125
Long Term Borrowings-PKSF	70,000,000	-	70,000,000	57,000,000	-	57,000,000
Long Term Borrowings-Bank & Others	1,522,851,585	-	1,522,851,585	1,073,649,618	700,000	1,074,349,618
Development Program Fund	-	55,803,118	55,803,118	-	4,390,465	4,390,465
Member Savings Receipt	857,879,383	81,725	857,961,108	601,625,587	98,611	601,724,198
General & Others Loan /Fund Account	521,644,266	110,478,400	632,122,666	371,381,629	61,243,810	432,625,439
PF, WF, Security, IT etc.	22,873,480	4,579,176	27,452,656	26,744,330	4,765,217	31,509,547
Loan to Group Members Recovery	3,097,213,992	476,950	3,097,690,942	2,216,071,432	382,277	2,216,453,709
Advance, Security & Prepaid	5,595,377	102,736,268	108,331,645	3,826,649	128,022,422	131,849,071
Investment Withdrawal	111,681,908	-	111,681,908	122,908,676	1,574,457	124,483,133
Accounts payable & provision	-	5,876,604	5,876,604	-	137,760	137,760
Stock & Stores	-	-	-	-	-	-
Suspense Accounts	-	-	-	-	-	-
Sale/Fixed Assets Sale	36,000	25,000	61,000	8,240	-	8,240
Revenue Income Received	627,850,660	2,697,451	630,548,111	410,571,161	1,469,965	412,041,126
Sub-Total	6,837,626,651	282,754,692	7,120,381,343	4,883,787,322	202,784,984	5,086,572,306
Total receipts	6,864,805,474	285,301,968	7,150,107,442	4,911,420,239	208,830,192	5,120,250,431
Payments						
Capital Expenditure	14,856,977	2,583,880	17,440,857	11,051,644	21,635,590	32,687,234
Long Term Borrowings-PKSF	57,433,326	-	57,433,326	62,350,000	-	62,350,000
Long Term Borrowings-Bank & Others	1,465,107,471	540,000	1,465,647,471	836,377,799	260,000	836,637,799
Development Program Fund	-	55,421,974	55,421,974	-	1,508,422	1,508,422
Member Savings Return	615,791,072	135,484	615,926,556	408,353,931	7,610	408,361,541
General & Others Loan /Fund Account	531,123,997	104,392,325	635,516,322	364,474,580	30,767,281	395,241,861
PF, WF, Security, IT etc.	3,662,130	4,717,180	8,379,310	2,470,492	3,361,586	5,832,078
Loan to Group Members	3,651,913,000	-	3,651,913,000	2,894,838,001	700,000	2,895,538,001
Advance, Security & Prepaid paid	21,306,935	105,081,206	126,388,141	13,431,438	138,934,691	152,366,129
Payment against Provision	588,924	6,094,442	6,683,366	2,343,689	6,924,476	9,268,165
Investment against Provision	157,500,000	-	157,500,000	159,842,000	-	159,842,000
Material / Stock & Stores	-	-	-	-	-	-
Sub-Total	6,519,283,832	278,966,491	6,798,250,323	4,755,533,574	204,099,656	4,959,633,230
Staff Salary & Benefits	128,303,071	965,763	129,268,834	76,040,368	448,527	76,488,895
General & Administrative Expenses	56,580,575	511,669	57,092,244	36,998,103	257,807	37,255,910
Financial Cost	39,489,937	121,477	39,611,414	15,669,371	4,559	15,673,930
Programmatic Expenses	-	-	-	-	1,472,367	1,472,367
Sub-Total	224,373,583	1,598,909	225,972,492	128,707,842	2,183,260	130,891,102
Closing Cash & Bank Balance						
Cash in hand	42,806,964	576,011	43,382,975	7,423,472	40,497	7,463,969
Cash at bank	78,341,095	4,160,557	82,501,652	19,755,351	2,506,779	22,262,130
Sub-Total	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099
Total payments	6,864,805,474	285,301,968	7,150,107,442	4,911,420,239	208,830,192	5,120,250,431


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Taufiq Hossain
Director

Signed as per our separate report of even date.

Date : 29th November, 2018
Place : Dhaka



FAMES & R
Chartered Accountants



FAMES & R
Chartered Accountants

AMBALA FOUNDATION
Statement of Changes in Capital Fund
For the year ended 30 June 2018

Particular	FY 2017-2018			FY 2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Opening balance	215,201,832	19,703,321	234,905,153	92,659,608	17,901,456	110,561,064
Add: Opening Adjustment	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-
Surplus for the Year	203,538,356	2,404,489	205,942,845	120,540,367	1,801,865	122,342,232
Closing balance	418,740,188	22,107,810	440,847,998	213,199,975	19,703,321	232,903,296
Add: Adjustment during the year	3,317,434	4,626	3,322,060	2,122,068	-	2,122,068
Less: Adjustment during the year	-	-	-	(120,211)	-	(120,211)
Less: Transferred to reserve	(42,205,762)	-	(42,205,762)	(21,520,183)	-	(21,520,183)
Total Fund (After transfer to reserve)	379,851,860	22,112,436	401,964,296	193,681,649	19,703,321	213,384,970
Add: Reserve fund	42,205,762	-	42,205,762	21,520,183	-	21,520,183
Balance as on 30-06-2018	422,057,622	22,112,436	444,170,058	215,201,832	19,703,321	234,905,153


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Tauliq Hossain
Director



AMBALA FOUNDATION
Statement of Cash Flows
for the year ended June 2018

Particular	Amount in Taka			Amount in Taka		
	FY 2017-2018			FY 2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
A. Cash flows form operating activities						
Surplus for the period	203,538,356	2,404,489	205,942,845	120,540,367	1,801,865	122,342,232
Add: Amount considered as non cash items Expenses						
Expenses for provision & reserve	16,210,137	-	16,210,137	10,546,181	3,223	10,549,404
Depreciation for the year	5,629,539	25,848	5,655,387	2,626,997	341,243	2,968,240
Non cash staff salary & benefits	20,098,689	118,016	20,216,705	12,130,083	404,161	12,534,244
Non cash general & administrative expenses	7,966,579	313,850	8,280,429	7,835,503	904,989	8,740,492
Non cash financial cost	166,313,511	16,651,873	182,965,384	139,839,380	10,464,431	150,303,811
Non cash program cost	-	249,960	249,960	-	1,966,338	1,966,338
Sub-total of non cash items expenses	216,218,455	17,359,547	233,578,002	172,978,144	14,084,385	187,062,529
Less: Amount considered as non cash items income						
Non cash FDR & Revenue income	(16,279,734)	(18,665,494)	(34,945,228)	(11,655,192)	(16,599,545)	(28,254,737)
Sub-total of non cash items income	(16,279,734)	(18,665,494)	(34,945,228)	(11,655,192)	(16,599,545)	(28,254,737)
Increase/decrease in disbursement to members	(554,699,008)	476,950	(554,222,058)	(678,766,569)	(317,723)	(679,084,292)
Increase/d/decrease in payment for provision	(588,924)	(217,838)	(806,762)	(2,343,689)	(6,786,716)	(9,130,405)
Increase/decrease in loan, advance & prepaid	(15,711,558)	(2,344,938)	(18,056,496)	(9,604,789)	(10,912,269)	(20,517,058)
Net cash used in operating activities	(167,522,413)	(987,284)	(168,509,697)	(408,851,728)	(18,730,003)	(427,581,731)
B. Cash flows from Investing Activities						
Increase/decrease in acquisition of property, plant and equipment	(14,820,977)	(2,558,880)	(17,379,857)	(11,043,404)	(21,635,590)	(32,678,994)
Increase/decrease in short term investment	(45,818,092)	-	(45,818,092)	(36,933,324)	1,574,457	(35,358,867)
Increase/decrease in others current assets	-	-	-	-	-	-
Net Cash Used in Investing Activities	(60,639,069)	(2,558,880)	(63,197,949)	(47,976,728)	(20,061,133)	(68,037,861)
C. Cash Flows from financing Activities						
Increase/decrease in Long Term Borrowings-PKSF	12,566,674	-	12,566,674	(5,350,000)	-	(5,350,000)
Increase/decrease in Long Term Borrowings-Bank & Others	57,744,114	(540,000)	57,204,114	237,271,819	440,000	237,711,819
Increase/decrease in members savings	242,088,311	(53,759)	242,034,552	193,271,656	91,001	193,362,657
Increase/decrease in short term loan & others current liabilities	(9,479,731)	6,086,075	(3,393,656)	6,907,049	30,476,529	37,383,578
Increase/decrease in staff EP,EG,EW & ES fund	19,211,350	(138,004)	19,073,346	24,273,838	1,403,631	25,677,469
Increase/decrease in Development Program Fund	-	381,144	381,144	-	2,882,043	2,882,043
Net Cash Used in Financing Activities	322,130,718	5,735,456	327,866,174	456,374,362	35,293,204	491,667,566
D. Net cash increase / Decrease (A+B+C)	93,969,236	2,189,292	96,158,528	(454,094)	(3,497,932)	(3,952,026)
Add. Cash and Bank Balance Beginning of the year	27,178,823	2,547,276	29,726,099	27,632,917	6,045,208	33,678,125
Cash and Bank Balance at the end of the year	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Talfiq Hossain
Director



Ambala Foundation
(Former Environment Council Bangladesh)
Notes to the Financial Statement
for the year ended June 30, 2018

1.0 BACKGROUND

1.01 ORGANIZATION BACKGROUND

- In terms of global population density Bangladesh is one of the highest ranking countries in the world accompanied with poor socioeconomic conditions, acute malnutrition, low literacy rate and very high population growth rate which triggers the country towards severe poverty and dreadful environmental crisis. A group of young and energetic students with innovative mind realized its consequences and came forward to put their efforts together to contribute to development of the poor and destitute people and to reduce the poverty and environmental impact from local level to national level. Keeping this notion in their mind this group of students established Environment Council Bangladesh as a non-profit and non-political voluntary development organization in February 12, 1994, Subsequently on AGM Date: 17.12.2016. The Name of EC Bangladesh Changed as Ambala Foundation according to the changes were approved registered with MRA No:00350-01308-00086, Department of Social Services.
No. Dha- 03066. ,NGO Affairs Bureau No:952.

Ambala Foundation received its legal status through getting registered with various government departments like Directorate of Social Service (DSS), NGO Affairs Bureau (NGOAB), Micro-credit Regulatory Authority (MRA) and Directorate of Youth Development (DYD). After getting it's recognition from the government Ambala Foundation widened its scope of operation throughout the country in multi-dimensional fields. Now after completion of financial year it has changed its name into Ambella Foundation.

Within the general framework of the organization, the main goal of Ambala Foundation is to accelerate environmentally, socially and economically sustainable development through collaborative partnership among NGOs, CBOs as well as other concerned stakeholders at its project locations.

1.02 VISION / GOAL OF THE ORGANIZATION

A social and economic environment where everyone can thrive for sustainable development.

1.03 MAJOR OBJECTIVES

1. Increased livelihood capabilities and opportunities.
2. Increased access to education.
3. Increased health related awareness and services.
4. Increased awareness on human rights.



2.0 Corporate Information of the Organization

1	Name of the MFI/NGO	Ambala Foundation (Former Environment Council Bangladesh)		
2	Year of establishment	February 12, 1994		
	Year of commencement	1998		
3	Legal Entity/ Registration	<ul style="list-style-type: none"> Registered on 01st January 2008 with Microcredit Regulatory Authority (MRA) No. 00350-01308-00086 Registered on 28th February 1994 with the Department of Social Services. No. Dha- 03066. Registered on 28th June 1995 with NGO Affairs Bureau. No. 952 Registered on 7th July 2009 with Directorate of Youth Development. No. Jouao/ Munshigonj Sadar-60/Munshi-160 		
		4	Nature of operations (programs)	Operating Microfinance Program and Development Program.
		5	Statutory Audit conducted up to	June 30, 2018
		6	Name of statutory auditor for last year	S. F. Ahmed & Co.
7	Name of statutory auditor for current year	FAMES & R		
8	No. Executive Committee meeting held FY 2017-2018	08		
9	Date of Last AGM held	July 29, 2017		

2.1 List of Executive Committee Members

	Name	Designation	Qualification	Profession	Present Address
1	M. Azizur Rahman	Chairperson	MA	Chairman, Board of Trusty, National Museum BD. Former Secretary & Chief Information Commissioner (State Minister status) of Information Commission. Peoples Republic of BD.	358, South Paiek Para Mirpur, Dhaka.
2	Salina Akhter	Vice-Chairperson	MA	Service	Al haramain Aziz Garden, 203, 204 Malibagh, Flat-E6, Motijheel, Dhaka.
3	Arif Sikder	Secretary General	MA	Service	6/7, Block -F, Lalmatiya Dhaka
4	S.M. Mahedi Hasan	Finance Secretary	MSS	Service	12/uma/4 Road -2, Shamoli, Dhaka-1207.
5	Salina Iqbal	Executive Member	MA	Service	14/5 Babor Road\, Mohammadpur, Dhaka-1207



Basis of Preparation of Financial Statements

3.0 Basis of Accounting

The financial report has been prepared under the historical cost conventions on accrual basis except service charges which are computed following cash basis of accounting.

3.01 Preparation of Financial Statements

Financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) except for service charge on loan to members, which are recognized on cash basis as disclosed in the Summary of Significant Accounting Policies. The financial statements are expressed in Bangladeshi Taka.

Ambala Foundation's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

3.02 Reporting Period

The financial statements cover the period from 1st July 2017 to 30th June 2018.

4.0 Summary of significant accounting policies

4.01 Currencies

The financial statements are presented in Bangladesh Taka which is the MFI's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka.

4.02 Revenue Recognition

As per IAS-18 "Revenue", Revenue is to be recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of revenue and related cost can be measured reliably.

Accordingly, Income from Service Charge on loan is recognized on cash basis when it is collected and other income is recognized when it is earned in the relevant period.

4.03 (i) Interest income

Interest on bank accounts, fixed deposits, revenue is recognized as the interest accrues unless collectability is in doubt.

Service charge on loan

The Organization is collecting Service Charges from beneficiaries/end users at a declining rate of maximum 27% on the loan provided to them. The principal loan and proportional service charges are collected in 46 equal weekly installments.

Service charges are accounted for on cash basis. The amount of service charges actually collected from the beneficiaries is recognized as income. The service charges due but not collected are not recognized as income.



Interest expenses

Interest expenses have been accounted for on accrual basis.

(ii) Interest paid on savings

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. The interest rate on mandatory savings is 6%. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk. 50. Each center members deposits a minimum of Tk. 50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

A minimum savings of 10% of the loan amount is required for the first loan period.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.

b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. The interest on this program is 8% annually, compounded monthly. The special voluntary savings accounts are like a current account. Beneficiaries can save monthly one time or withdraw the amount on demand .This voluntary savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special voluntary savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special voluntary savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDI**. It is tied up with fixed deposit. Profit will be given at different rate based on different period (6 & 10 years) & deposited amount (1,000-100,000 tk.). Amount of deposits will be doubled in 6 years period & tripled in 10 years period. The special savings accounts are like a current account .This term savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. Profit will be given in this program at 12.00% to 14.40% annually, compounded monthly. The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

4.04 Property, Plant and Equipment

Recognition

- Its expected useful life is more than one year,
- It is tangible assets and
- Future economic benefit associated with the item will flow to entity.



Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates:

The rates of depreciation applied are as follows:

Particulars	Rate
Furniture & Fixtures	10%
Equipments	20%
Vehicles	20%
Bicycles	20%
Motorcycles	20%

Subsequent Recognition

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the organization and its cost reliably measured. The cost of the day to day servicing of the property and equipment are recognized in the statement of income and expenditure as incurred expenditure.

Sale of Property, Plant and Equipment

Sale price of property, plant and equipment are determined on the basis of fair value of the assets. Gain or losses on sale of property, plant and equipment are recognized in the statement of income and expenditure incurred as per provision of IAS-16, property, plant and equipment.

4.05 Basis of Reporting

Financial statements presentation follows the recommendations and guideline of the partners & donors. They also conform to specific sections of IFRS (International Financial Reporting Standard) applicable for non-profit organization.

4.06 Grant/Donation Accounting

Grants are recognized as income in accordance with International Accounting Standard (IAS) 20, "Accounting for Government Grants and Disclosure of Government Assistance", over the periods necessary to match them with the corresponding costs as incurred.

4.07 Donor Grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, Ambala Foundation donor grants are for the funding of projects and programs, and for these grants, income is recognized to equate the expenditure incurred on projects and programs. Donor's grants that are utilized for the purchase of fixed assets are spent as program-related expenditure. All donor grants received are initially recorded at fair value as liabilities in Grants Received in Advance Account. For ongoing projects and programs, any expenditure yet to be funded but for which funding has been agreed upon at the end of the reporting period is recognized as donation receivable.

5.0 Significant Organization Policies

5.01 Loan Classification & Loan Loss Provision Policy

Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. At the end of the each month, Ambala Foundation calculate required provision for loan loss based on the loan classification and provisioning methodology which is shown below and any adjustment, if required, are made and accounted for in the financial statements:



Loan Classification

Particulars	Status of Loan	Loan Loss Provision Ratio
1 to 30 days due	Watchful Loan (WL)	5%
31 to 180 days due	Sub Standard Loan (SSL)	25%
181 to 365 days due	Doubtful Loan Outstanding (DLO)	75%
365+ days past due	Bad Loan Outstanding (BLO)	100%

5.02 Write Off Policy

The write off of loans, if necessary, are charged against the provision for loan losses. Loans within their maturity period are classified as "current loan". Loan which remains outstanding over a year of their maturity period is considered as "Bad loans".

Loan recovery efforts for delinquent loans over two years have been taken but loan collectability has proved extremely difficult. The list of such loans is presented to Governing Body for write off approval. Generally loans are written off twice a year. Any collections realized from loans previously written off are credited to the statement of income and expenditure.

5.03 Policy on Loan to beneficiaries under the Microfinance Program

Main Process of the Microfinance Program

Ambala Foundation microfinance is implemented through a group model whereby members from groups of five and subsequently form centers composed of roughly six groups. Center meetings are held each week by field/credit officer. At such meetings, members can submit loan applications, make loan repayments and deposit savings. Target families are identified on the basis of sex, age and household income, after which interested persons are invited for group discussions regarding Ambala Foundation microfinance products and regulations.

Ambala Foundation activities include providing micro-finance loans to group members without collateral, on a service charge basis under various components. This represents various loans outstanding with the clients in the following categories:

Various Component of the Microfinance Program

JAGORAN (Microfinance Program for Rural & Urban People)

This is to allow rural people to finance their economic activities. RMC & UMC loans are working capital loans given to poor and disadvantaged households. RMC & UMC loan ranges from Tk. 10,000 to 49,000 are given for refund within one year and service charge maximum 27% (declining rate) per year.

SUFOLON (Microfinance Program for Agriculture)

This loan is exclusive for agriculture, enterprise, livestock etc. activities and is designated to increase the farm and business activities. The seasonal loan also enhances "Social food security net" of the households. Seasonal loan ranges from Tk. 10,000 to Tk. 1,000,000 are given for Agri Production and refund within 3-9 months and service charge maximum 27% (declining rate) per year.

Grihayan Loan (Microfinance Program for House Construction)

To reduce the housing vulnerability of the disadvantaged rural community this loan is taken from the housing fund of Bangladesh Government and disbursed among the right deprived disadvantaged community people particularly those who are victims of river erosion, cyclone, flood and fire with



view to build and rebuild their houses. This loan is given from three years and the rate of interest is 05%.

AGROSOR (Microfinance Program for Entrepreneurs)

Available to both men & women, the micro-enterprise program provides services on either a group or individual basis. Most members are recruited through surveys, with the majority of loans given on an individual basis. A small number of micro-credit member's graduate from the micro-credit program to become micro-enterprise program members. Subsequently more emphasis will be put towards such members. The micro-enterprise program seeks members who would like to expand their businesses; the loan amount is not intended as start-up capital. Environment Council Bangladesh seeks members with a minimum of 02 years business experience, a visible venture and those who have scope to generate employment opportunities. ME loan ranges from Tk. 50,000 to Tk. 10,00,000 are given for refund within one year and service charge maximum 27% (declining rate) per year.

BUNIAD (Microfinance Program for Ultra and Extreme Poor)

This loan is exclusive for ultra-poor beneficiaries. The ultra-poor loan ranges from Tk. 10,000 to TK. 49,000 are given for refund within one year and service charge maximum 20% (declining rate) per year.

5.04 Savings collection

There are four types of members savings collected by the Ambala Foundation:

- Regular Savings.
- Monthly Voluntary Savings (MVS).
- SAMRIDID Savings.
- One Time Savings (OTS).

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk. 50. Each center members deposits a minimum of Tk. 50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.

b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. Beneficiaries can save monthly one time or withdraw the amount on demand. This savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDID Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDID**. It is tied up with fixed deposit. Amount of deposits will be doubled in 6 years period & tripled in 10 years period.



The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

5.05 Motorcycle Loan

Motorcycle loan can be provided to staff to expedite the field work and project implementation of Ambala Foundation with the approval from the approval committee. The concerned staff has to be a valid license holder if he wants to avail this loan. The amount of loan, duration of loan, number of installments etc. is to be decided by the approval committee. The motorcycle has to be registered under the name of the Ambala Foundation.

Ambala Foundation provides the motorcycle allowance to staff. The amount of motorcycle allowance is based on the mileage run verified from the log book of each loaner. The motorcycle allowance is Tk. 3.00 per KM, Tk. 600.00 for monthly maintenance and provided to the respective staff in the following month.

If any staff resigns or retires or terminated before paying all installments, he will have to hand over the motorcycle to Ambala Foundation. If the life of Motorcycle exceeds 5 years, the staff may pay all the rest of the installments, the authority will hand over the motorcycle to the concerned staff. If the staff pays all the installments, the authority will hand over the motorcycle to the concerned staff. The cost of providing motorcycle loan to staff is recovered through monthly salary deductions.

5.06 Member welfare fund

Ambala Foundation has created a Member welfare fund to cover the outstanding risk of death members.

5.07 Employees' Provident Fund

Ambala Foundation maintains recognized contributory provident fund for its eligible permanent employees. The fund is operated by the Board of Trustee. All confirmed employees are contribution 10% of their basic salary as subscription of the fund. Ambala Foundation also contributes equal amount of the employees.

5.08 Employees' Gratuity Fund

Ambala Foundation makes provision for an Employee Gratuity fund, on the basis of one month's basic salary for each completed year in employment (based on basic salary of the last month). The fund is held as a provision within 'other liabilities', and is not externally funded. Gratuity is disbursed upon retirement or resignation of employees provided the employee has completed five years service at the rate of one month's basic salary last drawn for each completed year of service.

5.09 Employees' Security Fund

Ambala Foundation has created an employee security fund to cover the risks of accident or deprivation of eye-sight. Security amount collects from the respective staff at the rate of Tk.10, 000 to Tk. 15,000 at the time of joining in the service or collecting installment basis from the respective staff. Security amounts refund with 6% interest compounded annually to the respective staff at the



time of retirement or termination from the service. The fund is held as a provision within other liabilities.

5.10 Accommodation Facilities for Staff

Ambala Foundation provides accommodation facilities at each branch for the respective staff and paid as house rent allowance Tk. 500 per month for female staff.

5.11 Incentive for Microfinance program

Ambala Foundation provides incentive for microfinance staff. Incentive paid monthly on the basis of performance.

5.12 Employees' Deposit Pension Scheme

Ambala Foundation has introduced a Savings Scheme for all employees. This scheme called "EDPS". It has been started from July 2014. All level of employees' may avail this scheme. The term of scheme is 5 to 10 years. Scheme started from Tk. 100 (multiple) to maximum Tk. 5,000. This scheme will be helpful for family members of employees' at the time of family crisis, in absence of employees. Interest will be given at 13.20% after maturity of the scheme but if withdrawal is made before the maturity interest will be given at 8%.

5.13 Special Advance Salary

Ambala Foundation provides special advance salary to regular staff to overcome the medical treatment, natural disaster, arising out of death of any family member. One can apply for this loan after completion at least 6 month membership of provident fund. A staff is allowed to avail that much amount which is maximum of 02 months equivalent total salary without any interest. The duration of this loan will be maximum 12 months.

5.14 Loan Against Provident Fund

Employee can take loan at 80% amount of his own contribution if loan is taken within 5 years and if loan is taken after 5 years employee can take 80% of his/her total fund (Own & Organization). Interest charged at 10% on loan, maximum duration of repayment will be 36 months.

5.15 Taxation and VAT

Under the Income Tax Ordinance (ITO), 1984 as amended, Ambala Foundation is subject to taxation for some of its projects and properties. As per 6th Schedule, Part-A, para-1A of ITO 1984, Income from Microfinance activities are Tax exempted. Environment Council Bangladesh submits its Return for tax for the organization as a whole Ambala Foundation and TIN number is 871703359207/ Taxes Circle- 09(Company), Taxes Zone 05, Dhaka.

Under the Value Added Tax (VAT) Act. 1991, VAT Registration Number is for Head Office 91111288361.

5.16 Other Facilities to Beneficiaries

Ambala Foundation provides pass book to beneficiaries for recording their loan and savings related transactions. During the loan period members are eligible to take the pass book by paying Tk. 5 for each one and Tk. 10 for Loan Application form. If any member loses the pass book, he will pay Tk. 10 to take another pass book. The income from selling of pass books is being recognized as income in the Statement of Comprehensive Income in the period in which they are incurred. Ambala Foundation activities also include providing microfinance loans to beneficiaries without loan processing fee.



FAMES & R
Chartered Accountants

Ambala Foundation activities also include providing microfinance loans to beneficiaries without admission fee & any other services. After completion of 3 weeks membership, the member will be eligible to take the first period loan. Ambala Foundation also provides an opportunity of rebate against service charge if the loan installments are paid in advance.

5.17 General

- i. Where necessary, comparative figures and accounts titles in the financial statements have been rearranged to conform to the current year's presentation.
- ii. The figures appearing in the financial statements have been rounded off to the nearest Taka.



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
6. Property, Plant and Equipment	83,854,903	46,671,801	130,526,704	19,149,864	90,707,919	109,857,783
Cost						
Opening balance	25,305,942	93,093,759	118,399,701	12,769,083	71,353,749	84,122,832
Add: Purchase/ Adjustment during the year	71,726,806	-	71,726,806	16,715,744	21,635,590	38,351,334
Add: Adjustment during the year	-	16,339,630	16,339,630	-	104,420	104,420
Less: Sale/ Adjustment during the year	(2,574,224)	(61,824,900)	(64,399,124)	(4,178,885)	-	(4,178,885)
Total Cost	94,458,524	47,608,489	142,067,013	25,305,942	93,093,759	118,399,701
Less: Accumulated Depreciation						
Opening balance	6,156,078	2,385,840	8,541,918	4,678,742	2,044,597	6,723,339
Add: Addition/ Adjustment during the year	4,447,544	25,848	4,473,392	2,269,075	341,243	2,610,318
Less: Adjustment in the Year	-	(1,475,000)	(1,475,000)	(791,738)	-	(791,738)
Accumulated Depreciation	10,603,621	936,688	11,540,309	6,156,078	2,385,840	8,541,918
Written Down Value	83,854,903	46,671,801	130,526,704	19,149,864	90,707,919	109,857,783
7. Intangible assets	6,021,842	-	6,021,842	1,353,782	-	1,353,782
Cost						
Opening balance	2,565,000	-	2,565,000	1,645,000	-	1,645,000
Add: Purchase/ Adjustment during the year	5,785,000	-	5,785,000	920,000	-	920,000
Total Cost	8,350,000	-	8,350,000	2,565,000	-	2,565,000
Less: Accumulated Amortisation						
Opening balance	1,211,218	-	1,211,218	888,167	-	888,167
Add: Addition/ Adjustment during the year	1,116,940	-	1,116,940	323,051	-	323,051
Accumulated Amortisation	2,328,158	-	2,328,158	1,211,218	-	1,211,218
Written Down Value	6,021,842	-	6,021,842	1,353,782	-	1,353,782
8. Others Non Current Assets	200,448	-	200,448	251,203	-	251,203
Cost						
Opening balance	313,090	-	313,090	135,826	-	135,826
Add: Purchase/ Adjustment during the year	14,299	-	14,299	236,340	-	236,340
Less: Sale/ Adjustment during the year	-	-	-	(59,076)	-	(59,076)
Total Cost	327,389	-	327,389	313,090	-	313,090
Less: Accumulated Depreciation						
Opening balance	61,886	-	61,886	67,499	-	67,499
Add: Addition/ Adjustment during the year	65,055	-	65,055	34,872	-	34,872
Less: Adjustment in the Year	-	-	-	(40,484)	-	(40,484)
Accumulated Depreciation	126,941	-	126,941	61,887	-	61,887
Written Down Value	200,448	-	200,448	251,203	-	251,203
9. Investment FDR	248,759,475	-	248,759,475	196,173,923	-	196,173,923
9.1 FDR for SAVINGS	89,000,000	-	89,000,000	60,000,000	-	60,000,000
Opening balance	60,000,000	-	60,000,000	14,898,989	-	14,898,989
Add: Addition principal during the year	89,000,000	-	89,000,000	60,000,000	-	60,000,000
Add: Adjustment from receivable	150,597	-	150,597	26,805	-	26,805
Less: FDR withdrawal	(60,150,597)	-	(60,150,597)	(14,921,294)	-	(14,921,294)
Less: Adjustment tax & charged	-	-	-	(4,500)	-	(4,500)
Add: Earned interest investment during the year	-	-	-	-	-	-
Closing balance	89,000,000	-	89,000,000	60,000,000	-	60,000,000
9.2 FDR for Reserve Fund	45,000,000	-	45,000,000	24,000,000	-	24,000,000
Opening balance	24,000,000	-	24,000,000	10,263,965	-	10,263,965
Add: Addition principal during the year	45,000,000	-	45,000,000	35,500,000	-	35,500,000
Less: FDR withdrawal	(24,070,564)	-	(24,070,564)	(21,799,289)	-	(21,799,289)
Less: Adjustment tax & charged	-	-	-	(4,500)	-	(4,500)
Add: Earned interest investment during the year	70,564	-	70,564	39,824	-	39,824
Closing balance	45,000,000	-	45,000,000	24,000,000	-	24,000,000



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
9.3 FDR-Lien & Others	113,269,677	-	113,269,677	110,680,745	-	110,680,745
Opening balance	110,680,745	-	110,680,745	136,597,895	1,535,696	138,133,591
Add: Addition during the year	26,000,000	-	26,000,000	64,342,000	-	64,342,000
Add: Interest earned during the year	6,584,179	-	6,584,179	6,939,174	40,435	6,979,609
Less: Adjustment tax & charged	-	-	-	(11,010,230)	-	(11,010,230)
Less: Recovery during the year	(29,960,747)	-	(29,960,747)	(86,188,094)	-	(86,188,094)
Less: Adjustment FDR during the year	-	-	-	-	(1,674)	(1,674)
Less: Withdrawal for FDR	(34,500)	-	(34,500)	-	(1,574,457)	(1,574,457)
Closing balance	113,269,677	-	113,269,677	110,680,745	-	110,680,745
9.4 Interest Receivable	1,489,798	-	1,489,798	1,493,178	-	1,493,178
Opening balance	1,493,178	-	1,493,178	604,080	-	604,080
Add: Addition during the year	1,489,798	-	1,489,798	1,493,178	-	1,493,178
Add: Provision during the year	-	-	-	-	-	-
Add: Interest earned during the year	-	-	-	-	-	-
Less: Realised/Adjustment during the year	(1,493,178)	-	(1,493,178)	(604,080)	-	(604,080)
Closing balance	1,489,798	-	1,489,798	1,493,178	-	1,493,178
10. Advance, Security & Prepaid	14,086,859	133,683,605	147,770,464	12,437,105	49,730,790	62,167,895
Opening balance	12,437,105	49,730,790	62,167,895	10,048,728	65,920,468	75,969,197
Less: Opening transferred to Fund AC	-	-	-	-	-	-
Add: Disbursement during the year	21,306,935	549,603,160	570,910,094	13,431,438	45,413,080	58,844,518
Add: Adjustment during the year	19,443,170	1,271,243	20,714,412	13,182,091	51,578,312	64,760,403
Add: Interest during the year	-	-	-	-	-	-
Less: Recovery during the year	(5,595,377)	(466,345,144)	(471,940,521)	(3,826,649)	(41,133,407)	(44,960,056)
Less: Adjustment / Transfer during year	(33,504,974)	(576,444)	(34,081,418)	(20,398,505)	(72,047,663)	(92,446,168)
Closing balance	14,086,859	133,683,605	147,770,464	12,437,104.53	49,730,790.40	62,167,894.93
11. Loan to Group Members	2,532,388,638	337,615	2,532,726,253	2,000,742,728	800,166	2,001,542,894
11.1 MFP Loan to Beneficiaries-JAGORON	174,490,180	-	174,490,180	228,309,301	-	228,309,301
Opening balance	228,309,301	-	228,309,301	170,802,704	-	170,802,704
Add: Disbursement during the year	389,771,000	-	389,771,000	390,148,000	-	390,148,000
Add: Balance transferred from UMC	-	-	-	-	-	-
Less: Recovery during the year	(438,029,732)	-	(438,029,732)	(331,662,150)	-	(331,662,150)
Less: Adjustment recovery	(5,560,390)	-	(5,560,390)	(979,253)	-	(979,253)
Add: Adjustment	-	-	-	-	-	-
Closing balance	174,490,180	-	174,490,180	228,309,301	-	228,309,301
11.2 Loan to Beneficiaries-AGROSOR	1,264,253,095	-	1,264,253,095	934,768,570	-	934,768,570
Opening balance	934,768,570	-	934,768,570	681,111,235	-	681,111,235
Add: Opening adjustment	-	-	-	-	-	-
Add: Disbursement during the year	1,900,763,000	-	1,900,763,000	1,416,332,000	-	1,416,332,000
Less: Recovery during the year	(1,559,697,072)	-	(1,559,697,072)	(1,160,096,947)	-	(1,160,096,947)
Less: Adjustment / Recovery	(11,581,403)	-	(11,581,403)	(2,577,718)	-	(2,577,718)
Add: Adjustment	-	-	-	-	-	-
Closing balance	1,264,253,095	-	1,264,253,095	934,768,570	-	934,768,570
11.3 Loan to Beneficiaries-BUNIAD	46,348	-	46,348	1,727,985	-	1,727,985
Opening balance	1,727,985	-	1,727,985	4,124,071	-	4,124,071
Add: Disbursement during the year	-	-	-	3,501,000	-	3,501,000
Less: Recovery During the year	(1,602,718)	-	(1,602,718)	(5,846,140)	-	(5,846,140)
Less: Transferred to RMC/Jagoron	-	-	-	-	-	-
Less: Adjustment	(78,918)	-	(78,918)	(50,946)	-	(50,946)
Closing balance	46,348	-	46,348	1,727,985	-	1,727,985



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
11.4 Loan to Beneficiaries-SUFOLON	128,033,936	-	128,033,936	129,019,773	-	129,019,773
Opening balance	129,019,773	-	129,019,773	127,488,711	-	127,488,711
Add: Opening Adjustment	-	-	-	-	-	-
Add: Disbursement during the year	230,867,000	-	230,867,000	238,262,000	-	238,262,000
Less: Recovery During the year	(230,628,350)	-	(230,628,350)	(236,127,759)	-	(236,127,759)
Less: Adjustment	(1,224,488)	-	(1,224,488)	(603,179)	-	(603,179)
Closing balance	128,033,936	-	128,033,936	129,019,773	-	129,019,773
11.5 Loan to Beneficiaries-GRIHAYAN Loan	965,565,078	337,615	965,902,694	706,917,099	800,166	707,717,265
Opening balance	706,917,099	800,166	707,717,265	343,534,507	482,443	344,016,950
Add: Disbursement during the year	1,130,512,000	-	1,130,512,000	846,595,000	700,000	847,295,000
Add: Adjustment	-	-	-	-	-	-
Less: Recovery During the year	(867,256,120)	(462,550)	(867,718,671)	(482,338,437)	(373,386)	(482,711,823)
Less: Adjust / Transfer	(4,607,900)	-	(4,607,900)	(873,971)	(8,891)	(882,863)
Closing balance	965,565,078	337,615	965,902,694	706,917,099	800,166	707,717,265
12. Donation Receivable	-	100,000	100,000	-	-	-
Opening balance	-	-	-	-	-	-
Add: Disbursement during the year	-	-	-	-	-	-
Add: Adjusted during the year	-	100,000	100,000	-	-	-
Less: Recovery During the year	-	-	-	-	-	-
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	100,000	100,000	-	-	-
13. Others Current Assets	-	-	-	-	-	-
14. Cash in Hand and at Bank	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099
14.1 Cash in hand	42,806,964	576,011	43,382,975	7,423,472	40,497	7,463,969
Head Office	171,822	549,568	721,390	58,139	40,497	98,636
Branch Office	42,635,142	26,443	42,661,585	7,365,333	-	7,365,333
Total	42,806,964	576,011	43,382,975	7,423,472	40,497	7,463,969
14.2 Cash at Bank	78,341,095	4,160,557	82,501,652	19,755,351	2,506,779	22,262,130
Head Office	26,253,964	4,160,557	30,414,521	7,178,295	2,506,779	9,685,074
Branch Office	52,087,131	-	52,087,131	12,577,056	-	12,577,056
Total	78,341,095	4,160,557	82,501,652	19,755,351	2,506,779	22,262,130
15. Retained Surplus	422,057,622	22,112,436	444,170,059	215,201,833	19,703,321	234,905,155
Opening balance	215,201,833	19,703,321.48	234,905,154	92,659,608	17,901,456	110,561,064
Add: Opening adjustment	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-
	215,201,833	19,703,321	234,905,154	92,659,608	17,901,456	110,561,064
Add: Surplus/(Deficit) during the year	203,538,356	2,404,489	205,942,844	120,540,367	1,801,866	122,342,233
Add: Adjustment during the year	3,317,434	4,626	3,322,060	2,122,068	-	2,122,068
Less: Adjustment during the Year	-	-	-	(120,210)	-	(120,210)
	206,855,790	2,409,115	209,264,904	122,542,225	1,801,866	124,344,091
Total Retained Surplus After Adjustment	422,057,622	22,112,436	444,170,059	215,201,833	19,703,322	234,905,155
Less: Provision for Reserve Fund	(42,205,762)	-	(42,205,762)	(21,520,183)	-	(21,520,183)
Total Retained Surplus After Reserved	379,851,860	22,112,436	401,964,296	193,681,649	19,703,322	213,384,971
Add: Reserve Fund	42,205,762	-	42,205,762	21,520,183	-	21,520,183
Closing balance	422,057,622	22,112,436	444,170,059	215,201,833	19,703,321	234,905,155
16. Development Program Fund	-	-	-	50,000	50,000	-
Opening balance	-	50,000	50,000	-	925,490	925,490
Add: Receipt during the year	-	381,144	381,144	-	4,390,465	4,390,465
Add: Receipt/Adjust / Transfer donation during	-	-	-	-	115,117	115,117
Add: Fund against bank interest during the year	-	-	-	-	-	-
Less: Return/Transfer in cash	-	-	-	-	(400,000)	(400,000)
Less: Return/Transfer donation during the year	-	-	-	-	(1,508,422)	(1,508,422)
Less: Fund adjusted current year	-	(431,144)	(431,144)	-	(3,472,649)	(3,472,649)
Less: Adjustment	-	-	-	-	-	-
Closing balance	-	-	-	50,000	50,000	-



	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
17. Long Term Borrowings-PKSF	69,100,000	-	69,100,000	56,533,326	-	56,533,326
Opening balance	56,533,326	-	56,533,326	61,883,326	-	61,883,326
Add: Receipt during the year	70,000,000	-	70,000,000	57,000,000	-	57,000,000
Less: Return during the year	(57,433,326)	-	(57,433,326)	(62,350,000)	-	(62,350,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	69,100,000	-	69,100,000	56,533,326	-	56,533,326
17.1 Long Term Borrowings-PKSF- RMC	150,000	-	150,000	2,250,000	-	2,250,000
Opening balance	2,250,000	-	2,250,000	10,250,000	-	10,250,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(2,100,000)	-	(2,100,000)	(8,000,000)	-	(8,000,000)
Closing balance	150,000	-	150,000	2,250,000	-	2,250,000
17.2 Long Term Borrowings-PKSF- ME	300,000	-	300,000	3,500,000	-	3,500,000
Opening balance	3,500,000	-	3,500,000	10,400,000	-	10,400,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(3,200,000)	-	(3,200,000)	(6,900,000)	-	(6,900,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	300,000	-	300,000	3,500,000	-	3,500,000
17.3 Long Term Borrowings-PKSF- UMC	200,000	-	200,000	2,450,000	-	2,450,000
Opening balance	2,450,000	-	2,450,000	8,150,000	-	8,150,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(2,250,000)	-	(2,250,000)	(5,700,000)	-	(5,700,000)
Closing balance	200,000	-	200,000	2,450,000	-	2,450,000
17.4 Long Term Borrowings- PKSF- UP	-	-	-	166,660	-	166,660
Opening balance	166,660	-	166,660	1,583,326	-	1,583,326
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(166,660)	-	(166,660)	(1,416,666)	-	(1,416,666)
Closing balance	-	-	-	166,660	-	166,660
17.5 Long Term Borrowings- PKSF- Sufolon	-	-	-	-	-	-
Opening balance	-	-	-	10,000,000	-	10,000,000
Add: Receipt during the year	25,000,000	-	25,000,000	24,000,000	-	24,000,000
Less: Return during the year	(25,000,000)	-	(25,000,000)	(34,000,000)	-	(34,000,000)
Closing balance	-	-	-	-	-	-
18.6 Long Term Borrowings- PKSF- JAGORON	39,350,000	-	39,350,000	27,350,000	-	27,350,000
Opening balance	27,350,000	-	27,350,000	10,000,000	-	10,000,000
Add: Receipt during the year	25,000,000	-	25,000,000	20,000,000	-	20,000,000
Less: Return during the year	(13,000,000)	-	(13,000,000)	(2,650,000)	-	(2,650,000)
Closing balance	39,350,000	-	39,350,000	27,350,000	-	27,350,000
18.7 Long Term Borrowings- PKSF- AGROSOR	28,100,000	-	28,100,000	15,900,000	-	15,900,000
Opening balance	15,900,000	-	15,900,000	8,000,000	-	8,000,000
Add: Receipt during the year	20,000,000	-	20,000,000	10,000,000	-	10,000,000
Less: Return during the year	(7,800,000)	-	(7,800,000)	(2,100,000)	-	(2,100,000)
Closing balance	28,100,000	-	28,100,000	15,900,000	-	15,900,000



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
18.8 Long Term Borrowings- PKSF-	1,000,000	-	1,000,000	4,916,666	-	4,916,666
Opening balance	4,916,666	-	4,916,666	3,500,000	-	3,500,000
Add: Receipt during the year	-	-	-	3,000,000	-	3,000,000
Less: Return during the year	(3,916,666)	-	(3,916,666)	(1,583,334)	-	(1,583,334)
Closing balance	1,000,000	-	1,000,000	4,916,666	-	4,916,666
18. Long Term Borrowings-Bank & Others	1,450,981,842	420,000	1,451,401,842	1,268,860,374	960,000	1,269,820,374
Opening balance	1,268,860,374	960,000	1,269,820,374	933,085,540	520,000	933,605,540
Add: Receipt during the year	1,522,851,585	-	1,522,851,585	1,073,649,618	700,000	1,074,349,618
Less: Adjust / Transfer / Refund during the year	(1,465,107,471)	-	(1,465,107,471)	(836,377,799)	-	(836,377,799)
Add: Adjustment	124,377,353	-	124,377,353	109,482,745	-	109,482,745
Less: Return during the year	-	(540,000)	(540,000)	(10,979,730)	(260,000)	(11,239,730)
Closing balance	1,450,981,842	420,000	1,451,401,842	1,268,860,374	960,000	1,269,820,374
19. Member Savings	853,686,516	93,562	853,780,078	586,414,745	145,738	586,560,483
19.1 Members Regular Savings	447,003,798	93,562	447,097,360	334,077,949	145,738	334,223,687
Opening balance	334,077,949	145,738	334,223,687	241,890,535	49,467	241,940,002
Add: Opening adjustment	-	-	-	-	-	-
Add: Receipt during the year	492,425,516	81,725	492,507,241	367,915,132	97,221	368,012,353
Add: Adjustment during the year	103,627,494	1,583	103,629,077	84,984,539	7,733	84,992,272
Less: Return during the year	(396,909,063)	(135,484)	(397,044,547)	(286,546,397)	(8,683)	(286,555,080)
Less: Adjust / Transfer / Refund during the year	(86,218,098)	-	(86,218,098)	(74,165,860)	-	(74,165,860)
Closing balance	447,003,798	93,562	447,097,360	334,077,949	145,738	334,223,687
19.2 Members Voluntary Savings -Monthly	165,059,718	-	165,059,718	109,573,796	-	109,573,796
Opening balance	109,573,796	-	109,573,796	66,007,468	-	66,007,468
Add: Receipt during the year	122,563,867	-	122,563,867	88,200,455	-	88,200,455
Add: Adjustment during the year	23,043,760	-	23,043,760	17,499,890	-	17,499,890
Less: Return during the year	(74,852,009)	-	(74,852,009)	(49,519,534)	-	(49,519,534)
Less: Adjust / Transfer / Refund during the year	(15,269,696)	-	(15,269,696)	(12,614,483)	-	(12,614,483)
Closing balance	165,059,718	-	165,059,718	109,573,796	-	109,573,796
19.3 Members Savings-SAMRIDDI	115,257,000	-	115,257,000	79,912,000	-	79,912,000
Opening balance	79,912,000	-	79,912,000	47,212,000	-	47,212,000
Add: Receipt during the year	82,664,000	-	82,664,000	62,891,000	-	62,891,000
Add: Adjustment during the year	27,193,000	-	27,193,000	21,641,000	-	21,641,000
Less: Return during the year	(47,319,000)	-	(47,319,000)	(30,191,000)	-	(30,191,000)
Less: Adjust / Transfer / Refund during the year	(27,193,000)	-	(27,193,000)	(21,641,000)	-	(21,641,000)
Closing balance	115,257,000	-	115,257,000	79,912,000	-	79,912,000
19.4 Members Savings-OTS	126,366,000	-	126,366,000	62,851,000	-	62,851,000
Opening balance	62,851,000	-	62,851,000	22,329,000	-	22,329,000
Add: Receipt during the year	160,226,000	-	160,226,000	82,619,000	-	82,619,000
Add: Adjustment during the year	3,795,000	-	3,795,000	3,792,000	-	3,792,000
Less: Return during the year	(96,711,000)	-	(96,711,000)	(42,097,000)	-	(42,097,000)
Less: Adjust / Transfer / Refund during the year	(3,795,000)	-	(3,795,000)	(3,792,000)	-	(3,792,000)
Closing balance	126,366,000	-	126,366,000	62,851,000	-	62,851,000
20. Short Term Loan & Liability	117,968,578	108,062,406	226,030,985	46,245,483	83,215,938	129,461,421
20.1 Ambala Foundation General Fund -	61,398,192	2,609,372	64,007,564	6,159,692	1,779,830	7,939,523
Opening balance	6,159,692.50	1,779,830.00	7,939,522.50	(9,269,280)	1,371,398	(7,897,882)
Less: Opening transferred to payable	-	-	-	-	-	-
Add: Receipt during the year	596,148,716	943,542	597,092,258	331,046,954	998,200	332,045,154
Add: Adjustment during the year	-	-	-	11,461,102	1,677,915	13,139,017
Less: Return during the year	(540,910,217)	(12,000)	(540,922,217)	(324,977,595)	(2,102,690)	(327,080,285)
Less: Adjust / Transfer / Refund during the year	-	(102,000)	(102,000)	(2,101,488)	(164,993)	(2,266,481)
Closing balance	61,398,192	2,609,372	64,007,564	6,159,692.40	1,779,830.28	7,939,522.68
20.2 Employee Gratuity Fund Account -	13,106,450	-	13,106,450	10,399,474	-	10,399,474
Opening balance	10,399,475	-	10,399,475	6,985,337	-	6,985,337
Add: Receipt during the year	-	-	-	10,595,000	-	10,595,000
Add: Adjustment during the year	3,106,975	-	3,106,975	3,097,879	-	3,097,879
Less: Return during the year	(400,000)	-	(400,000)	(10,278,742)	-	(10,278,742)
Closing balance	13,106,450	-	13,106,450	10,399,474	-	10,399,474



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
20.3 Employee DPS Fund Account - Loan	5,639,015	-	5,639,015	3,581,869	-	3,581,869
Opening balance	3,581,869	-	3,581,869	1,200,599	29,514	1,230,113
Add: Receipt during the year	-	-	-	3,040,800	13,000	3,053,800
Add: Adjustment during the year	2,157,146	-	2,157,146	1,282,469	52,675	1,335,144
Less: Return during the year	(100,000)	-	(100,000)	(1,941,999)	(92,789)	(2,034,788)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	(2,400)	(2,400)
Closing balance	5,639,015	-	5,639,015	3,581,869	-	3,581,869
20.4 Employee Welfare Fund Account - Loan	8,787,147	-	8,787,147	5,065,075	-	5,065,075
Opening balance	5,065,075	-	5,065,075	3,435,025	-	3,435,025
Add: Receipt during the year	-	20,625	20,625	4,838,875	20,000	4,858,875
Add: Adjustment during the year	4,008,985	-	4,008,985	1,590,625	17,626	1,608,251
Less: Return during the year	(286,913)	(20,625)	(307,538)	(4,799,450)	(37,626)	(4,837,076)
Closing balance	8,787,147	-	8,787,147	5,065,075	-	5,065,075
20.5 Employee Provident Fund Account - Loan	21,641,410	-	21,641,410	15,178,372	-	15,178,372
Opening balance	15,178,372	-	15,178,372	9,766,821	343,847	10,110,668
Add: Receipt during the year	9,063,037	-	9,063,037	16,130,000	-	16,130,000
Add: Adjustment during the year	-	-	-	6,600,846	725,894	7,326,740
Less: Return during the year	(2,600,000)	-	(2,600,000)	(17,319,294)	(1,069,741)	(18,389,035)
Closing balance	21,641,410	-	21,641,410	15,178,372	0	15,178,372
20.6 Employee Security Fund Account -	7,396,364	-	7,396,364	5,861,000	-	5,861,000
Opening balance	5,861,000	-	5,861,000	4,866,250	151,214	5,017,464
Add: Receipt during the year	-	7,500	7,500	5,730,000	54,000	5,784,000
Add: Adjustment during the year	2,395,364	-	2,395,364	422,250	481,720	903,970
Less: Return during the year	(860,000)	(7,500)	(867,500)	(5,157,500)	(686,934)	(5,844,434)
Closing balance	7,396,364	-	7,396,364	5,861,000	-	5,861,000
20.7 OTS	-	105,453,034	105,453,034	-	81,436,108	81,436,108
Opening balance	-	81,436,108	81,436,108	-	94,534,133	94,534,133
Add: Receipt during the year	-	95,301,551	95,301,551	-	57,352,000	57,352,000
Add: Adjustment during the year	-	-	-	-	2,978,106	2,978,106
Less: Return during the year	-	(71,284,625)	(71,284,625)	-	(27,938,091)	(27,938,091)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	(45,490,040)	(45,490,040)
Closing balance	-	105,453,034	105,453,034	-	81,436,108	81,436,108
21.0 Loan Loss Provision (LLP)	36,268,159	3,376	36,271,535	25,338,707	8,002	25,346,709
Opening balance	25,338,707	8,002	25,346,709	16,452,650	4,780	16,457,430
Add: Provision during the year	16,210,137	-	16,210,137	10,546,181	3,222	10,549,403
Less: Adjust / Transfer	(5,280,685)	(4,626)	(5,285,311)	(1,660,124)	-	(1,660,124)
Closing balance	36,268,159	3,376	36,271,535	25,338,707	8,002	25,346,709
22. PF, WF, Gratuity, IT etc.	51,692,748	52,531,477	104,224,225	55,815,103	37,797,116	93,612,219
22.1 Provident Fund	-	24,416,236	24,416,236	-	16,703,163	16,703,163
Opening balance	-	16,703,163	16,703,163	-	11,593,191	11,593,191
Add: Opening transferred from Advance	-	-	-	-	-	-
Add: Receipt during the year	-	9,433,485	9,433,485	-	996,435	996,435
Add: Adjust / Transfer / Refund during the year	9,932,515	-	9,932,515	11,768,371	5,831,079	17,599,450
Less: Return during the year	(1,787,466)	(1,720,411)	(3,507,877)	(936,635)	(974,356)	(1,910,991)
Less: Adjust / Transfer / Refund during the year	(8,145,049)	-	(8,145,049)	(10,831,736)	(743,186)	(11,574,922)
Closing balance	-	24,416,236	24,416,236	-	16,703,163	16,703,163
22.2 Gratuity Fund	-	13,147,013	13,147,013	-	10,491,154	10,491,154
Opening balance	-	10,491,154	10,491,154	-	7,211,886	7,211,886
Add: Receipt during the year	-	3,102,573	3,102,573	-	415,182	415,182
Add: Adjust / Transfer / Refund during the year	3,102,573	-	3,102,573	5,260,173	3,205,820	8,465,993
Less: Return during the year	-	(446,714)	(446,714)	(265,847)	(231,376)	(497,223)
Less: Adjust / Transfer / Refund during the year	(3,102,573)	-	(3,102,573)	(4,994,326)	(110,359)	(5,104,685)
Closing balance	-	13,147,013	13,147,013	-	10,491,154	10,491,154



FAMES & R
Chartered Accountants

	Amount in Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
22.3 Staff Security	-	6,558,000	6,558,000	-	5,394,000	5,394,000
Opening balance	-	5,394,000	5,394,000	-	4,297,000	4,297,000
Add: Receipt during the year	-	2,927,500	2,927,500	-	2,567,000	2,567,000
Add: Adjusted during the year	542,000	-	542,000	967,000	468,882	1,435,882
Less: Return during the year	(114,000)	-	(114,000)	(122,500)	(1,448,041)	(1,570,541)
Less: Adjusted during the year	(428,000)	-	(428,000)	(844,500)	(490,841)	(1,335,341)
Less: Recovery during the year	-	(1,763,500)	(1,763,500)	-	-	-
Closing balance	-	6,558,000	6,558,000	-	5,394,000	5,394,000
22.4 Welfare Fund Staff	-	3,440,100	3,440,100	-	2,023,600	2,023,600
Opening balance	-	2,023,600	2,023,600	-	1,556,300	1,556,300
Add: Receipt during the year	-	1,808,700	1,808,700	-	87,200	87,200
Add: Adjust / Transfer / Refund during the year	3,711,250	-	3,711,250	3,322,725	749,500	4,072,225
Less: Return during the year	(236,875)	(392,200)	(629,075)	(141,500)	(295,974)	(437,474)
Less: Adjusted during the year	(3,474,375)	-	(3,474,375)	(3,181,225)	(73,426)	(3,254,651)
Closing balance	-	3,440,100	3,440,100	-	2,023,600	2,023,600
22.5 Welfare Fund Member	51,692,748	13,500	51,706,248	55,815,103	13,500	55,828,603
Opening balance	55,815,103	13,500	55,828,603	35,678,299	6,500	35,684,799
Add: Receipt during the year	22,873,480	-	22,873,480	26,744,330	7,000	26,751,330
Less: Return during the year	(5,000)	-	(5,000)	(266,250)	-	(266,250)
Less: Adjust / Transfer / Refund during the year	(26,990,835)	-	(26,990,835)	(6,341,276)	-	(6,341,276)
Closing balance	51,692,748	13,500	51,706,248	55,815,103	13,500	55,828,603
22.6 EDPS Fund	-	4,956,628	4,956,628	-	3,171,700	3,171,700
Opening balance	-	3,171,700	3,171,700	-	1,903,400	1,903,400
Add: Receipt during the year	-	2,280,600	2,280,600	-	692,400	692,400
Add: Adjusted during the year	2,244,600	-	2,244,600	2,644,000	1,040,414	3,684,414
Less: Return during the year	(744,100)	(495,672)	(1,239,772)	(600,000)	(411,839)	(1,011,839)
Less: Adjust / Transfer / Refund during the year	(1,500,500)	-	(1,500,500)	(2,044,000)	(52,675)	(2,096,675)
Closing balance	-	4,956,628	4,956,628	-	3,171,700	3,171,700
23. Accounts Payable	4,704,756	2,306,333	7,011,088	2,877,858	1,906,036	4,783,894
23.1 Provision for Member Savings Interest	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-
Add: Opening transfer	-	-	-	-	-	-
Add: Provision during the Year	25,183,460	-	25,183,460	16,045,820	-	16,045,820
Add: Adjustment during the year	-	-	-	-	-	-
Less: Paid during the year	-	-	-	-	-	-
Less: Adjust / Transfer / Refund during the year	(25,183,460)	-	(25,183,460)	(16,045,820)	-	(16,045,820)
Closing balance	-	-	-	-	-	-
23.2 Provision for Bank Interest & Others	2,988,053	1,486,744	4,474,797	1,484,205	935,863	2,420,068
Opening balance	1,484,205	935,862.71	2,420,068	1,340,126	549,201	1,889,327
Add: Addition during the year	-	-	-	-	450,632	450,632
Add: Adjust / Transfer / Refund during the year	113,371,089	624,010	113,995,099	106,532,828	13,813,835	120,346,663
Less: Paid during the year	-	(73,129)	(73,129)	(1,938,889)	(63,927)	(2,002,816)
Less: Adjust / Transfer / Refund during the year	(111,867,241)	-	(111,867,241)	(104,449,859)	(13,813,878)	(118,263,737)
Closing balance	2,988,053	1,486,744	4,474,797	1,484,205	935,862.71	2,420,068
23.3 Provision for Expenses	1,716,703	819,589	2,536,291	1,393,653	970,173	2,363,826
Opening balance	1,393,653	970,173	2,363,826	500,000	868,766	1,368,766
Add: Addition during the year	-	5,877,370	5,877,370	-	146,888	146,888
Add: Adjust / Transfer / Refund during the year	1,848,127	-	1,848,127	1,798,453	377,056	2,175,508
Less: Paid during the year	(1,525,077)	(6,027,954)	(7,553,031)	(404,800)	(397,934)	(802,734)
Less: Adjust / Transfer / Refund during the year	-	-	-	(500,000)	(24,602)	(524,602)
Closing balance	1,716,703	819,589	2,536,291	1,393,653	970,173	2,363,826



FAMES & R
Chartered Accountants

Amount In Taka					
2017-2018			2016-2017		
Micro Finance	Development	Total	Micro Finance	Development	Total
630,831,575	16,595,418	647,426,993	409,890,777	11,329,377	421,220,154

24. Service Charge

24.01 Service Charge from loan to group members & development program

Service Charge from loan to group members	625,686,846	-	625,686,846	404,698,617	-	404,698,617
Service Charge from others projects	-	16,132,945	16,132,945	-	11,118,656	11,118,656
Interest on Provident Fund Loan	-	347,473	347,473	-	-	-
Development project service charge	-	100,000	100,000	-	57,740	57,740
Sub-Total	625,686,846	16,580,418	642,267,264	404,698,617	11,176,396	415,875,013

24.02 Service charge on support services

Service Charge for Photography	3,123,600	-	3,123,600	2,949,100	400	2,949,500
Cheque Book Sale (Income)	171,170	-	171,170	645,450	-	645,450
Printing Materials/Pass Book & Register Sale	1,108,269	-	1,108,269	853,985	53,800	907,785
Loan Application Fee	741,690	-	741,690	743,625	250	743,875
Member Closing Fee	-	15,000	15,000	-	98,531	98,531
Sub-Total	5,144,729	15,000	5,159,729	5,192,160	152,981	5,345,141

25. Interest on Bank Balance & FDR A/C

Bank Int. on STD A/C	1,644,088	63,735	1,707,822	1,012,505	68,779	1,081,284
Bank Int. on Savings FDR	52,050	-	52,050	139,632	-	139,632
Bank Int. on Reserve Fund Deposit	26,470	-	26,470	90,490	-	90,490
Interest on Lien FDR	6,006,211	-	6,006,211	8,528,353	-	8,528,353
Interest on Others FDR	-	-	-	-	44,437	44,437
Interest Receivable on Savings FDR	49,763	-	49,763	-	-	-
Interest Receivable on Reseve Fund	85,438	-	85,438	-	-	-
Interest Receivable on Lien FDR	1,340,475	-	1,340,475	-	-	-
Total Interest on Bank Balance & FDR A/C	9,204,493	63,735	9,268,228	9,770,980	113,216	9,884,196

26. Others Income

Profit gain	-	500,000	500,000	-	-	-
Miscellaneous/Others Income	1,223,593	121,519	1,345,112	865,595	22,000	887,595
Abandoned Money	-	1,200,371	1,200,371	-	1,353,498	1,353,498
ID Card & Staff Info. Book Sale	-	118,800	118,800	-	-	-
Advertisement Income	-	-	-	-	54,150	54,150
Account Closing Charge(Income)	86,800	-	86,800	64,100	-	64,100
Rent Income	-	360,000	360,000	-	480,000	480,000
Total Others Income	1,310,393	2,300,690	3,611,084	929,695	1,909,648	2,839,343

27. Donation, Subscription, Reimbursable & Contributions

Donation	-	-	-	-	328,520	328,520
Contribution	-	1,949,325	1,949,325	-	1,041,575	1,041,575
Reimbursable Income	2,783,932	22,633	2,806,565	1,634,901	-	1,634,901
Total	2,783,932	1,971,958	4,755,890	1,634,901	1,370,095	3,004,996

28. Donor grants	-	431,144	431,144	-	3,347,174	3,347,174
------------------	---	---------	---------	---	-----------	-----------



FAMES & R
Chartered Accountants

Amount In Taka					
2017-2018			2016-2017		
Micro Finance	Development	Total	Micro Finance	Development	Total

29. Salary & Benefits

29.1 Salary Benefits Staffs

Staff Salary	77,540,873	1,003,176	78,544,049	46,137,824	812,960	46,950,784
Festival Bonus	5,348,541	61,214	5,409,755	4,753,718	39,728	4,793,446
Provident Fund Contribution (PFC)	2,535,635	17,964	2,553,599	1,613,287	-	1,613,287
Staff Incentive for Motivation	9,470	-	9,470	1,386,526	-	1,386,526
Staff Welfare Fund Contribution	68,141	1,425	69,566	51,210	-	51,210
Sub-Total	85,502,659	1,083,779	86,586,438	53,942,565	852,688	54,795,253

29.2 Salary Benefits CO

Credit Office Salary	58,507,357	-	58,507,357	29,069,881	-	29,069,881
Festival Bonus	2,963,983	-	2,963,983	2,723,516	-	2,723,516
Provident Fund Contribution (PFC)	1,332,644	-	1,332,644	961,789	-	961,789
Credit Office Incentive for Motivation	563	-	563	1,415,751	-	1,415,751
Credit Officer Welfare Fund Contribution	94,555	-	94,555	56,949	-	56,949
Sub-Total	62,899,101	-	62,899,101	34,227,886	-	34,227,886
Total Salary & Benefits	148,401,761	1,083,779	149,485,540	88,170,452	852,688	89,023,139

30. Office Rent & Utilities

Office Rent	13,557,457	-	13,557,457	9,356,150	-	9,356,150
Electric/Gas/Water Etc.	1,470,004	62,414	1,532,418	852,616	49,818	902,434
Total	15,027,461	62,414	15,089,875	10,208,766	49,818	10,258,584

31. Printing & Stationary

Office Stationary	1,582,088	6,653	1,588,741	1,310,943	2,207	1,313,150
Printing Cost	4,508,477	-	4,508,477	2,760,821	-	2,760,821
Photocopy	96,563	390	96,953	76,597	190	76,787
Total	6,187,128	7,043	6,194,171	4,148,361	2,397	4,150,758

32. Communication

Mobile Bill	114,020	4,300	118,320	1,280,169	5,500	1,285,669
Telephone bill	4,524	17,653	22,177	5,935	29,315	35,250
Internet Bill	664,794	14,400	679,194	477,126	-	477,126
Postage & Courier	4,269	510	4,779	5,155	147	5,302
Total	787,607	36,863	824,470	1,768,385	34,962	1,803,347

33. Tours & Travel

Local Conveyance	618,409	112,638	731,047	466,074	96,502	562,576
Transportation Cost	429,344	-	429,344	271,394	5,177	276,571
Travel Allowance (TA)	1,186,507	-	1,186,507	920,272	2,641	922,913
Daily Allowance (DA)	668,134	-	668,134	1,191,542	250	1,191,792
Fuel Cost	3,328,437	9,380	3,337,817	2,226,633	17,540	2,244,173
Lodging & Night Stay cost	9,540	2,000	11,540	36,800	-	36,800
Total	6,240,371	124,018	6,364,389	5,112,715	122,110	5,234,825

34. Repairs & Office Maintenance

Cleaning Materials	161,948	-	161,948	91,312	-	91,312
Electric Goods	277,312	1,870	279,182	175,808	-	175,808
Furniture/Fixture/Equipment & Others Maintenance	31,280	-	31,280	-	-	-
Computer/Software Maintenance	8,596,595	120,300	8,716,895	1,602,745	6,600	1,609,345
Motor Cycle & Bi-Cycle Maintenance	650,664	-	650,664	507,965	-	507,965
Repair & Maintenance	409,457	2,320	411,777	563,923	77,454	641,377
Internet Accessories & Maintenance	35,019	-	35,019	58,749	-	58,749
Car Maintenance	195,330	-	195,330	253,201	-	253,201
Total	10,357,605	124,490	10,482,095	3,253,703	84,054	3,337,757

35. Advertisement & Publications

Signboard/Hooding	286,110	-	286,110	389,838	-	389,838
Advertisement Cost	150,508	2,550	153,058	205,078	-	205,078
News Paper & Magazine	295,765	3,330	299,095	217,428	3,040	220,468
Staff Recruitment Cost	213,879	270	214,149	186,704	-	186,704
Total	946,262	6,150	952,412	999,048	3,040	1,002,088



FAMES & R
Chartered Accountants

	Amount In Taka					
	2017-2018			2016-2017		
	Micro Finance	Development	Total	Micro Finance	Development	Total
36. Legal Expenses						
Renewal & Registration	261,932	14,605	276,537	121,888	29,490	151,378
Revenue Stamp/Stamp	27,244	500	27,744	14,820	-	14,820
Audit/Monitoring/Consultancy Fee	145,000	100,000	245,000	215,000	5,000	220,000
Lawer Fee	1,358,324	-	1,358,324	768,258	-	768,258
VAT & Tax Expenses for Organization	1,662,078	766	1,662,843	2,024,962	64,287	2,089,249
Total	3,454,578	115,871	3,570,448	3,144,928	98,777	3,243,705

37. Training / Workshop / Meeting / Conference

Training / Workshop/Summit	245,013	-	245,013	79,084	-	79,084
Meetings & Conference	2,017,196	-	2,017,196	891,875	-	891,875
Total	2,262,209	-	2,262,209	970,959	-	970,959

38. Other Admin & General Expenses

Entertainment	1,930,811	14,571	1,945,382	1,518,200	11,533	1,529,733
Bank Charge (DD,TT,ALL)	1,516,430	77,622	1,594,052	1,210,193	60,883	1,271,076
Donation & Occasional Exp.	980,200	185,917	1,166,117	933,600	130,374	1,063,974
Cookeries & Cutlery	463,493	-	463,493	269,592	-	269,592
Dish line/Cable Charge	15,900	-	15,900	7,200	-	7,200
Miscellaneous Expense	2,880,127	70,560	2,950,687	1,625,940	564,848	2,190,788
Lunch Allowance	3,450	-	3,450	5,589,143	-	5,589,143
Medical Exp. For General Staff	757,547	-	757,547	150,129	-	150,129
Loan Processing Fee	7,629,000	-	7,629,000	409,750	-	409,750
Total	16,176,958	348,670	16,525,628	11,713,747	767,638	12,481,385

39. Gratuity, Pension & Insurance Premium

Staff Gratuity	3,106,976	-	3,106,976	3,337,975	-	3,337,975
Total	3,106,976	-	3,106,976	3,337,975	-	3,337,975

40. Lose On Disposal of Fixed Assets

Loss on Disposal of Motor Vehicles	-	-	-	1	-	1
Loss on Disposal of Furniture & Fixture	-	-	-	5	-	5
Loss on Disposal of Equipment & Machinaries	-	-	-	156,422	-	156,422
Loss on Disposal of Others Non Current Assets	-	-	-	18,591	-	18,591
Total	-	-	-	175,019	-	175,019

41. Interest on PKSF & Bank Loan Fund

Interest to PKSF-RMC	68,065	-	68,065	356,128	-	356,128
Interest to PKSF-UMC	79,064	-	79,064	307,316	-	307,316
Interest to PKSF-ME	118,250	-	118,250	397,375	-	397,375
Interest to PKSF-UP	423	-	423	9,585	-	9,585
Interest to PKSF-Seasonal	937,500	-	937,500	1,225,000	-	1,225,000
Interest to PKSF-Jajoron	3,389,626	-	3,389,626	718,251	-	718,251
Interest to PKSF-Agrosar	1,824,250	-	1,824,250	572,000	-	572,000
Interest to PKSF-Buniad	47,917	-	47,917	37,708	-	37,708
Interest on Bank Loan	149,436,813	16,017	149,452,830	119,438,893	4,559	119,443,452
Total	155,901,908	16,017	155,917,925	123,062,255	4,559	123,066,814

42. Interest for Savings

Int. on Member Regular Savings	17,411,896	1,583	17,413,479	11,107,199	5,270	11,112,469
Ins on Member voluntary savings-Monthly	7,839,498	-	7,839,498	5,037,131	-	5,037,131
Ins on Member Savings SAMRIDDHI	-	-	-	-	-	-
Ins on Member Savings-OTS	9,083,924	-	9,083,924	3,876,721	-	3,876,721
Total	34,335,318	1,583	34,336,901	20,021,051	5,270	20,026,321



FAMES & R
Chartered Accountants

Amount In Taka					
2017-2018			2016-2017		
Micro Finance	Development	Total	Micro Finance	Development	Total

43. Interest on Others Loan Fund

Interest on General Fund	13,489,613	-	13,489,613	10,979,999	-	10,979,999
Interest on Staff PF fund	917,988	1,363,246	2,281,234	1,184,977	1,279,715	2,464,692
Interest on Staff ES fund	317,364	317,364	634,728	-	176,661	176,661
Interest on Staff EDPS fund	306,646	306,646	613,293	260,469	273,971	534,440
Interest on Staff EW fund	534,610	-	534,610	-	-	-
Interest on MFP Loan	-	2,731,283	2,731,283	-	-	-
Interest on Others Loan	-	105,460	105,460	-	-	-
Interest on OTS Fund Loan	-	11,931,751	11,931,751	-	8,728,814	8,728,814
Total	15,566,222	16,755,750	32,321,972	12,425,445	10,459,161	22,884,606

44. Programmatic Exp. & Contributions

General Program Expenses	-	-	-	-	5,420	5,420
MJF Program Expense	-	-	-	-	2,933,391	2,933,391
Room to Read Project	-	-	-	-	600	600
Radio Bikampur Project Expenses	-	-	-	-	14,999	14,999
BNNRRC Project Exp.	-	249,960	249,960	-	150,315	150,315
STAPS BAN Project Expense	-	-	-	-	15,318	15,318
Water & Sanitation Pro. Exp-NGO Forum	-	-	-	-	7,000	7,000
ECCGSP (NGO Forum) Project Exp	-	-	-	-	311,662	311,662
Total Programmatic Exp. & Contribution	-	249,960	249,960	-	3,438,705	3,438,705

45. Expenses for Provision & Reserved

Loan Loss Provision (LLP)	16,210,137	-	16,210,137	10,546,181	3,222.80	10,549,404
Total Provision & Reserved	16,210,137	-	16,210,137	10,546,181	3,222.80	10,549,404

46. Depreciation on Non Current Assets

Dep. on Furniture	1,136,325	805	1,137,130	706,976	945	707,922
Dep. on Office Equipments	1,903,217	25,043	1,928,260	263,414	40,298	303,711
Dep. On Vehicle	1,408,001	-	1,408,001	1,298,684	300,000	1,598,684
Dep. Others Assets	65,055	-	65,055	34,872	-	34,872
Amortisation-Intangible Assets	1,116,940	-	1,116,940	323,051	-	323,051
Total Depreciation on Non Current Assets	5,629,539	25,848	5,655,387	2,626,997	341,243	2,968,240



Property, Plant and Equipment
Current Year-18

Annexure-A/1
Amount in Taka

SL	Particulars	Cost			Depreciation			Written down value as on 30.06.2018	
		Opening balance as on 01.07.2017	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2018	Opening balance as on 01.07.2017	Charged during the year		Disposal/ Adjustment during the year
1	Land & buildings	-	60,722,250	-	60,722,250	-	-	-	60,722,250
2	Furniture & fixtures	9,971,486	3,849,673	-	13,821,159	2,389,699	1,136,325	-	3,526,024
3	Equipment	8,752,456	3,473,385	-	12,225,841	3,499,933	1,903,216	-	5,403,149
5	Vehicles	6,582,000	3,681,933	2,574,224	7,689,709	266,447	1,408,001	-	1,674,448
6	Other assets	313,090	14,299	-	327,389	61,887	65,055	-	126,942
	Sub Total	25,619,032	71,741,540	2,574,224	94,786,348	6,217,966	4,512,597	10,730,563	84,055,785

Last Year-17

SL	Particulars	Cost			Depreciation			Written down value as on 30.06.2017	
		Opening balance as on 01.07.2016	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2017	Opening balance as on 01.07.2016	Charged during the year		Disposal/ Adjustment during the year
1	Land & buildings	-	-	-	-	-	-	-	-
2	Furniture & fixtures	6,481,562	3,556,174	(66,250)	9,971,486	1,748,966	706,977	(66,244)	2,389,699
3	Equipment	6,179,708	3,362,090	(789,342)	8,752,456	2,825,931	1,298,683	(624,681)	3,499,933
5	Vehicles	107,813	9,797,480	(3,323,293)	6,582,000	103,845	263,414	(100,812)	266,447
6	Other assets	135,826	236,340	(59,076)	313,090	67,499	34,872	(40,484)	61,887
	Sub Total	12,904,909	16,952,084	(4,237,961)	25,619,032	4,746,241	2,303,946	(832,221)	6,217,966



Intangible Assets		Annexure-A/1									
		Amount in Taka									
Current Year-18		Cost			Amortisation				Written down value as on 30.06.2018		
SL	Particulars	Opening balance as on 01.07.2017	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2018	Opening balance as on 01.07.2017	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2018	Written down value as on 30.06.2018	
1	Software	2,565,000	5,785,000	-	8,350,000	1,211,218	1,116,940	-	2,328,158	6,021,842	
	Sub Total	2,565,000	5,785,000	-	8,350,000	1,211,218	1,116,940	-	2,328,158	6,021,841	
	Total									90,077,626	

Intangible Assets		Annexure-A/1									
		Amount in Taka									
Last Year-17		Cost			Amortisation				Written down value as on 30.06.2017		
SL	Particulars	Opening balance as on 01.07.2016	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2017	Opening balance as on 01.07.2016	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2017	Written down value as on 30.06.2017	
1	Software	1,645,000	920,000	-	2,565,000	888,167	323,051	-	1,211,218	1,353,782	
	Sub Total	1,645,000	920,000	-	2,565,000	888,167	323,051	-	1,211,218	1,353,782	
	Total									20,754,848	



Ambala Foundation
Eligibility Criteria Compliance Certification
For the year ended June 30, 2018

Sl #	Eligibility Criteria	Audited Figures or Compliance	Audited Figures or Compliance
		FY-2017-2018	FY-2016-2017
1	Minimum loan recovery rate, computed quarterly, based on the following		
	i) 95% minimum cumulative loan collection ratio on total dues: Actual Cumulative Collection x 100 Cumulative Collectibles	99.44%	99.58%
	ii) 92-100% minimum loan collection ratio on current dues (on running 12 month basis) Actual Collections during the past 12 months on current dues x 100 Collectibles on current dues	99.84%	99.89%
2	Minimum liquidity ratio of 10%	10.43%	10.23%
3	Minimum current ratio of 2.0:1	2.71:1	3.09:1
4	Minimum capital adequacy ratio of 15%	15.95%	10.53%
5	Minimum debt service cover ratio of 1.25:1	1.90:1	1.22:1
6	Debt capital ratio 9:1	6.03:1	9.37:1
7	Minimum rate of return on capital of 1%	68.22%	78.31%

Date : 29th November, 2018
Place : Dhaka


FAMES & R
Chartered Accountants



Ambala Foundation
Portfolio report for the year ended June 30, 2018
Review of Loan Classifications and Provisions

(i) Classification of Loan and Loan Loss Provision:

Sl. No	Particulars	No. of days Outstanding	Outstanding Loan	Required Provision	
			Amount	Rate %	Amount (Tk)
1	Total Loan Outstanding		2,532,388,637	N/A	N/A
2	Total Overdue		14,612,384		
3	Regular	Loans with no overdue installments	2,512,042,636	1%	25,120,426
4	Watchful	Loan default duration between 1 and 30 days	1,582,351	5%	79,117
5	Sub-standard	Loan default duration between 31 and 180 days	8,074,157	25%	2,018,539
6	Doubtful	Loan default duration between 181 and 365 days	6,557,661	75%	4,918,245
7	Bad Loan	Loan default duration above 365 days	4,131,832	100%	4,131,832
Total					36,268,159

(ii) Loan loss provision (LLP) status of the Ambala Foundation

Particulars	Taka
Required Provision as per MRA policy	36,268,159
Actual Provision made by the MFI	36,268,159
Excess/Shortfall of Provision	-
Comment of LLP	-
Disclosure on written off loan:	
Loan written off balance 01.07.2017	5,660,611
Loan written off during the year 2017-2018	1,963,250
Written off loan recovered during the year 2017-2018	-
Loan written off balance 30.06.2018	7,623,860



(iii) Loan Operational Report

Sl. No	Particulars	FY-2017-2018			FY-2016-2017		
	Financial Service Product:						
	Loan Product:						
	PKSF funded loan	69,100,000			56,533,326		
	Housing loan	-			-		
	Agriculture loan	1,450,981,842			1,268,860,374		
	Sanitation loan	N/A			N/A		
	Savings product:						
1	Regular /Mandatory Savings	447,003,798			334,077,949		
	Voluntary Savings	406,682,718			252,336,796		
	Insurance Product:						
	Life	N/A			N/A		
	Livestock	N/A			N/A		
	Member welfare fund	51,692,748			55,815,103		
		M	F	Total	M	F	Total
2	Number of branches	92			71		
3	Number of samities	192	4004	4196	162	3251	3413
4	Number of members	1462	48487	49949	1161	42996	44157
5	Number of borrowers	551	29820	30371	497	27658	28155
6	Number of staff	459	149	608	378	141	519
7	Amount (Taka) of loan outstanding with samiti members	115,876,696	2,416,511,941	2,532,388,637	35,317,317	1,965,425,411	2,000,742,728
8	Members : borrower	1:37.68	1:61.50	1:60.80	1:42.80	1:64.32	1:63.76
9	Average loan size	159,000/-	82,000/-	83,000/-	155,000/-	75,0000/-	80,000/-



**Statement of Budget
Financial Year: 2018-2019**

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

Description	2017-2018			2018-2019 (Proposed)	Remarks
	Projected	Actual	Variance (%)		
1. Area Coverage:					
District	0	2	2	0	
Thana/Upazilla	5	13	8	5	
Union/Pourashava	40	86	46	40	
Village/Word	400	275	-125	400	
2. Branch Opening	15	21	6	15	
3. Group/Samity Formation	1944	1936	-8	1944	
4. Add New Member	55099	10097	-82%	55099	
5. Add New Borrower	49845	4692	-91%	49845	
6. Recruitment (Number)	100	219	119%	100	
7. Deposits Collection	532,667,490	1,015,538,637	91%	895,710,034	
8. Refund Deposit	124,758,362	748,266,866	500%	362,954,146	
9. Loan Recovery (Principal)	3,263,206,667	3,120,267,091	-4%	5,222,890,304	
10. Loan Disbursement	4,666,300,000	3,651,913,000	-22%	6,198,400,000	
11. Loan Received (Borrowing)	1,453,500,000	2,334,109,164	61%	1,780,030,919	
12. Loan Returns	685,772,956	2,067,697,926	202%	945,050,924	
13. Received against insurance service	46,663,000	22,873,480	-51%	61,984,000	
14. Insurance benefits given	4,666,300	26,995,835	479%	12,396,800	
15. Total Income	506,689,265	644,130,394	27%	821,900,313	
16. Total Expenditure	361,273,088	439,605,643	21.68%	577,584,284	

Description	Current Balance as of 30 June 2018
1. Area Coverage:	
District	9
Thana/Upazilla	31
Union/Pourashava	202
Village/Word	893
2. Number of Branch	92
3. Number of Group	4126
4. Number of Member	49989
5. Number of Borrower	30371
6. Manpower (Number)	608
7. Deposit Balance	853,686,516
8. Loan Outstanding	2,532,388,638
9. Loan Received	1,638,050,421
10. Insurance Fund	51,692,748
11. Cumulative Surplus	422,057,622



Statement of Budget
Financial Year: 2018-2019

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

Sl No.	Description	2017-2018			2018-2019(Proposed)
		Projected	Actual	Variance (%)	
1	*Loan Recovery:				
	Jagoron	419,999,101	443,590,122	6%	738,657,789
	Agrosor	1,348,512,925	1,571,278,475	17%	2,630,146,556
	Buniad	326,320,667	1,681,637	-99%	2,702,694
	Sufolon (Seasonal and Agriculture)	313,491,196	231,852,838	-26%	388,912,931
	Kuwait Good Will Fund (KGF)				
	Migration				
	Service Holder				
	Health				
	Emergency				
	Education				
	Others (Gryhavan)	854,882,778	871,864,020		1,462,470,334
	Total	3,263,206,667	3,120,267,091	-4%	5,222,890,304
	Should be given component wise breakdown				
2	Fund Collection:				
	1.Savings Collection				
	Force Savings	214,913,240	576,053,010	177%	514,140,431
	Voluntary Savings	87,928,250	145,607,627	66%	127,968,672
	Fixed Deposit	229,826,000	273,878,000	19%	253,600,931
	Total	532,667,490	1,015,538,637	91%	895,710,034
	MFI Borrowing				
	2.PKSF Loan	130,100,000	70,000,000	-46%	58,927,599
	3.Bank Loan	1,323,400,000	1,647,228,939	24%	1,281,971,258
	4.Loan from Financial Institution				
	5.Loan from other Institution				
	6.Donation (Conditional)				
	7.General/EC Member loan				
	8.Others Loan		616,880,225		439,132,062
	Total	1,453,500,000	2,334,109,164	61%	1,780,030,919
3	Insurance Fund Collection	4,666,300	22,873,480	390%	61,984,000
4	Utilization of Fund				
	*Loan Disbursement				
	Jagoron	600,587,700	389,771,000	-35%	797,780,426
	Agrosor	1,928,338,400	1,900,763,000	-1%	2,561,475,417
	Buniad	466,630,000	-	-100%	619,840,000
	Sufolon (Seasonal and Agriculture)	448,284,000	230,867,000	-48%	595,470,404
	Kuwait Good Will Fund (KGF)				
	Migration				
	Service Holder				
	Health				
	Emergency				
	Education				
	Others Disbursement (Gryhavan)	1,222,459,900	1,130,512,000		1,623,833,754
	Total	4,666,300,000	3,651,913,000	-22%	6,198,400,000
	Should be given component wise breakdown				
	2.Savings Returns:				
	Force Savings	53,200,320	483,127,161	808%	233,942,642
	Voluntary Savings	17,672,242	90,121,705	410%	44,118,611
	Fixed Deposit	53,885,800	175,018,000	225%	84,892,893
	Total	124,758,362	748,266,866	500%	362,954,146
	3.Loan Repayment:				
	PKSF Loan	84,627,775	57,433,326	-32%	35,302,404
	Bank Loan	84,627,775	1,465,107,471	1631%	900,554,076
	Loan from Financial Institution				
	Loan from other Institution				
	General/EC Member loan				
	Others Loan		545,157,130		9,194,444
	Total	169,255,551	2,067,697,926	1122%	945,050,924
5	Insurance Service (Claims)	466,300	26,995,835		12,396,800
6	Acquisition of Fixed Assets				
	Land Purchase & Development				
	Land Development				
	Building Construction				
	Motor Vehicles	6,700,000	2,528,800		596,725
	Furniture & Fixtures & Office Equipments		2,705,217		638,354
	Office Equipments	250,000	3,453,471		814,921
	Electric Equipments				
	Computer & Accessories				
	Computer Software				
	Total	6,950,000	8,687,488		2,050,000



Statement of Budget
Financial Year: 2018-2019

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

SL No.	Description	2017-2018			2018-2019 (Proposed)
		Projected	Actual	Variance (%)	
7	Income:				
	1. Service Charge	477,491,612	630,831,575	32%	799,102,217
	2. Interest on Investment & Bank	10,297,528	9,204,493	-11%	18,230,597
	3. Other Interest				
	4. Entry Fees/ Member Admission Fees				
	5. Sale of Passbook & Others Income	8,592,000	2,783,932	-68%	2,537,500
	6. Sale of Forms				
	7. Donation from PKSF				
	8. Others Income	10,308,126	1,310,393	-87%	2,030,000
	9. Recovery of Written off Loan				
	10. Overhead cost from others Program				
	Total Income (1+....10)	506,689,266	644,130,393.56	-133%	821,900,314
8	Expenses:				
	Financial Expense:				
	1. Savings Interest	36,919,726	33,254,199	-10%	34,853,189
	2. Interest of PKSF Loan	8,258,759	6,465,095	-22%	5,716,863
	3. Interest on Bank loan	140,824,209	165,003,035	17%	210,219,825
	4. Interest on Committee loan				
	5. Interest on Others Institutional loan				
	6. Others	1,106,950			21,391,309
	Total Financial Expenses (1+....+6)	187,109,644	204,722,329	-14%	272,181,186
	General & Administrative Expenses:				
	7. Salary & Allowances*1				
	Basic Pay	94,513,854	136,046,730	44%	158,748,168
	Special Allowance	7,363,943	3,868,278	-47%	12,385,145
	Dearness Allowance				
	House Rent Allowance				
	Medical Allowance				
	Festival Allowance	7,876,155	8,312,523	6%	16,602,471
	Rest & Recreation Allowance				
	Lunch Allowance	7,857,000	-	-100%	
	Conveyance Allowance				
	Telephone Allowance				
	Educational Allowance				
	Fixed Travel Allowance				
	Overtime Allowance				
	Others Allowance-If any	8,270,095	174,229	-98%	28,883,400
	Total	125,881,047	148,401,761	-196%	216,619,184
	8. House Rent	8,734,800	13,557,457	55%	16,268,948
	9. Printing & Stationeries:				
	Printing & Binding	2,000,000	4,508,477	125%	5,410,172
	Stationary, Seal & Stamps	1,252,800	1,582,088	26%	1,898,506
	Total	3,252,800	6,090,565	207%	7,308,678
	10. Travel Expense:				
	a) Domestic	3,083,250	2,911,934	-6%	3,494,321
	b) Foreign				
	Total	3,083,250	2,911,934	-6%	3,494,321
	11. Telephone & Postal:				
	Telephone, Telex ,Fax ,Internet	1,995,384	783,338	-61%	940,004
	Postal & Courier Service	40,050	4,269	-89%	5,123
	Total	2,035,434	787,607	-150%	945,127



**Statement of Budget
Financial Year: 2018-2019**

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

SL No.	Description	2017-2018			2018-2019 (Proposed)
		Projected	Actual	Variance (%)	
12.	Repairs & Maintenance:				
	Office Building				
	Motor Vehicles	564,600	650,664	15%	780,797
	Others	1,838,400	9,706,941	428%	11,648,329
	Total	2,403,000	10,357,605	443%	12,429,126
13.	Fuel Expenses	2,644,500	3,328,437	26%	3,994,124
14.	Gas, Electricity & Water bill	1,490,250	1,470,003	-1%	1,764,004
15.	Entertainment	2,132,400	1,930,811	-9%	2,316,973
16.	Advertisement	150,000	150,508	0%	177,550
17.	Newspaper & Publication:				
	Newspaper & Magazine	622,880	795,754	28%	957,964
	Books & Publication and Research				
	Total	622,880	795,754	43%	957,964
18.	Bank Charge	624,500	1,516,430	143%	1,819,716
19.	Training Expense:				
	Local Training	290,000	245,013	-16%	294,016
	Foreign Training				
	Total	290,000	245,013	-16%	294,016
20.	Seminar, Conference & Workshop Expense	480,000	1,985,506		2,382,607
21.	Legal, Insurance, Income Tax, Membership	521,000	3,020,402	480%	3,624,486
22.	Meeting Expense	425,000	31,690		38,028
23.	Registration fees/Renewal fees	76,000	289,176	280%	347,011
24.	Others Operational Expense :				
	Others Expense	775,600	14,856,495	1815%	15,199,419
	Picnic, Fair and Get - together				
	Photocopy	161,400	96,563		115,876
	PRIME, Samridhi, Agriculture and KGF				
	Recreational allowance				
	Software Maintenance and others				
	Communication & Marketing				
	Annual Report				
	Community Health				
	Computer Accessories (Maintenance)				
	Total	937,000	14,953,058	1815%	15,315,295
25.	Audit Fees	100,000	145,000	45%	174,000
26.	Honorarium for EC Members				
27.	Other Honorarium				
28.	Tax:				
	Land Tax				
	Income Tax	600,000	-	-100%	-
	Other Tax				
	Customs Duty/VAT				
	Total	600,000	-	-100%	-
29.	Subscriptions & Donation	50,000	980,200	1860%	1,176,240
30.	Depreciation	3,598,650	5,629,539	56%	4,200,603
31.	Cost Sharing Expenses				
32.	Consultancy Service				
33.	Total Operational Expenses	347,242,155	423,300,784	22%	567,829,187
34.	Loan Loss Provision *	14,030,933	16,304,861	16%	9,755,097
35.	DMFE	-	-		-
36.	Net Surplus	145,416,178	204,524,749	41%	244,316,030
37.	Transfer to Various Fund:				
	Reserve Fund	14,541,618	20,452,475	41%	24,431,603
	DMF				
	Others				
	Total	14,541,618	20,452,475	41%	24,431,603



Management Report on the Financial Statements of Ambala Foundation (Former Environment Council Bangladesh) Microfinance program for the year ended 30 June 2018.

Current year's (2017-2018) observations:

Review of internal control system of Financial Management System ensuring accountability and transparency:

I. Accounting System

Branch Authorities disburse loans to beneficiaries following policy and procedures and rules and regulations and record transactions in software system "Microfinplus". In branch level, for recording the transaction in software system two individual are allowed with individual access control (password). One is branch manager and another person is branch accountant. Transactions are recorded in the system on daily basis and produces vouchers, ledgers, trial balance and financial systems on periodical basis.

At Head office MFP related accounts also maintained in "Microfinplus" certified by Ambala It. And others project maintained in NabaERP Software.

Branch office prepared financial statements and submits to head office monthly basis. All collected amounts are deposited to bank account by the branch. Head office maintains control ledger and other subsidiary books of accounts based on monthly statements of branch offices and prepares consolidated financial statements in the "Microfinplus" software.

Ambala Foundation also maintains Fixed Assets management software "NabaERP" centrally at head office for all cost centers to ensure proper utilization of assets with sound control. Depreciation has been charged at the straight-line method on fixed assets in yearly basis by the Head office. Moreover, yearly fixed assets verification is conducted of each year to ensure proper management of assets.

Apart from this, the organization maintains fixed assets register, stock register, advance register, salary register, logbook, cash and bank books etc.

Despite of the existence of a sound system of accounting for Microfinance Program, we observed few shortcomings during our visit to Head office and branch offices which are presented below along with implication, recommendation and management response.



I. Cash management

1. Matters Arising

Review of cash in hand limit

During the course of our audit while reviewing cash book we observed the following shortcomings relating to excess in hand cash limit.

Branch Name	Date	Cash in hand (BDT)	Cash Holding Limit (BDT)	Difference (BDT)
Board Bazar	03-09-2018	310224	5,000	305224
	09-09-2018	70094	5,000	65094
	04-09-2018	239724	5,000	234724
	11-09-2018	66569	5,000	61569
Joydebpur	01-09-2018	127949	5000	122949
	08-09-2018	49851	5000	44851
	10-09-2018	29291	5000	24291
	11-09-2018	22316	5000	17316
Gazipur Chowrasta	08-09-2018	80610	5000	75610
	09-09-2018	98760	5000	93760
	10-09-2018	82500	5000	77500
	11-09-2018	79050	5000	74050
Sonargoan	06-09-2018	204305	5000	199306
	09-09-2018	189650	5000	184650
	10-09-2018	197698	5000	192698
	11-09-2018	111967	5000	106967
Barudi	29-08-2018	637232	5000	627232
	30-08-2018	182933	5000	177933
	04-09-2018	93360	5000	88360
	10-09-2018	130685	5000	125685
	12-09-2018	39526	5000	34526
Madanpur	06-09-2018	118328	5000	113328
	08-09-2018	216328	5000	211328
	09-09-2018	121118	5000	116118
	10-09-2018	230501	5000	225501
	11-09-2018	175291	5000	170291

Implication

Excess cash kept in the office increase the risk of theft. Furthermore, employee may take unauthorized advantage by using it for personal needs.

Recommendation

Management should take necessary steps to address the above-mentioned issues.

Management Response

Ambala Foundation will take necessary steps as soon as possible.



II. Investments

a. FDR

Investment of Ambala Foundation Microfinance Program represents fixed deposit with banks. All investments in the FDR are duly approved by the appropriate authority of Ambala Foundation. Encashment of FDR and interest accrued during the year were properly accounted for. During the course of our audit we did not find any shortcomings in this area to report to the management.

b. Fixed Asset

Ambala Foundation maintains automated fixed asset register in the Head office and all of its Branch offices. Ambala Foundation procedures require that all the fixed assets maintained at Branch offices to be clearly tagged and differentiated between program assets. Fixed assets are depreciated on straight line basis over the assets estimated useful lives and must be agreed to branch office accounts. During the audit we have reviewed the investment in fixed assets and its management to find out whether the investments are approved by the appropriate authority, properly recorded, used for the Microfinance Program and safeguarded with proper records.

III. Payables and Accruals

We have reviewed the payables and accruals on a sample basis and found that these were within the normal course of business and were accounted for properly. We did not find any shortcomings in this area to report to the management.

IV. Commercial Loan

We observed that Ambala Foundation has received loan funds from various banks/financial institutions which have been used for loan disbursement to the microfinance borrowers of the organizations. We have reviewed the sanction letters/approval including relevant documents and found that Environment Council Bangladesh has complied with all relevant provisions of the loan agreements. It was also noted that all the installments payable were paid in due time and no exception was noted.

V. Loan Operation Management

Ambala Foundation has developed a detailed operational manual to execute, control and monitor microfinance operations. The manual has clearly described in detail the policies and procedures regarding disbursement & collection of loans to and from the members. Ambala Foundation has an Internal Audit Department. The Internal Audit Department monitors the compliance of the relevant policies and procedures as regular interval and reports to the top management. Internal control system relating to the loan operation management was found satisfactory.

During the audit at branch offices, we found that loans were disbursed to the target people who are unable to obtain credit from mainstream banks due to lack of necessary collateral and referrals. The loans were disbursed among targeted people by maintaining all formalities as introduced by Ambala Foundation following the MRA guidelines.



Matters Arising

During the course of our audit while reviewing loan application we observed the following shortcomings related to loan disbursement.

Branch Name	Name of loan Holder	Member ID NO as application form Member ID NO	Amount	Remarks
Sonargoan	Hasna	83	500,000/-	General manager's personal seal has not been used in the loan approval Form and date of visit of GM did not match with visitor's register.
Bardhi	Nurnahar	38/25	90000/-	Loan disbursement without (AM) concern.
Board Bazar	Nahudia	22/11	300,000/-	Loan has been disbursed without GM's approval.
Joydebpur	Momtaj/Chan Miah	07/23	200000/-	Loan disbursement date 12-08-2018 and closing date

Implications

Absence of Proper documentation may raise the question concerning the transparency of the process.

Recommendation

Management should take necessary steps to address the above mentioned issues.

Management Response

The management of Ambala Foundation is always very cautious about documentary process. However we will take more necessary steps for proper documentation very soon.

VI. Savings Deposits

Four types of member's Savings a) Regular Savings b) Monthly Voluntary Savings (MVS) c) SAMRIDI Savings d) One Time Savings (OTS)

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. The interest rate on mandatory savings is 6%. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk.50. Each center members deposits a minimum of Tk.50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

A minimum savings of 10% of the loan amount is required for the first loan period.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.



b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. The interest on this program is 8% annually, compounded monthly. The special voluntary savings accounts are like a current account. Beneficiaries can save monthly one time or withdraw the amount on demand. This voluntary savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special voluntary savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDI**. It is tied up with fixed deposit. Profit will be given at different rate based on different period (6 & 10 years) & deposited amount (1,000-100,000 tk.). Amount of deposits will be doubled in 6 years period & tripled in 10 years period. The special term savings accounts are like a current account. This savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. Profit will be given in this program at 12.00% to 14.40% annually, compounded monthly. The special savings accounts are like a current account. This savings stands for those who deposit voluntarily beyond their regular savings.

VII. Management & Accounting Information System and software implementation

In Head Office Ambala Foundation maintains its accounts in the software "**Microfinplus**" which was certified by Ambala IT. In the system, ledger is maintained in three stages on the basis of details of information. The final stage is the control ledger. During our audit we have reviewed the control ledger with the financial statements and sources of transactions i.e. Monthly report of branches, and relevant bill and vouchers which we felt required on the basis of our planning.

In the branch office Ambala Foundation uses software "Microfinplus" for recording its day to day transactions. The present software has two module viz. a) MIS module and b) AIS module. MIS Module is in operation at branch level as well as head office level for recording and accounting daily transaction. Enough financial and monitoring reporting is generated therefrom. AIS Module is used for consolidation of financial statement of the program manual books of accounts which is maintaining at Head office level and Unit Level for Unit Consolidation. Maintenance and other software related services are also provided by the vendor on annual service charges basis. Head office general fund accounts and other projects accounts also maintained by NabaERP.

Ambala Foundation has recently updated "**Microfinplus**" a web based software which is for ERP (Enterprise Resource Planning) Solution and complete integrated software. This software is for multipurpose use & multi-functional. This is used in the organization to maintain all the donor funded projects financial activities including inventory, HR, Fixed Assets & Procurement, etc.



Management & Accounting Information System

Matters Arising

01. Authorization signature missing in Top sheet of Voucher

Observation: During the course of our audit we have found two unauthorized Top Sheet Voucher. Reference: Voucher No: 786,784 Date: 16.05.18 Amount: Taka 1000,000 each.

Implication

Manipulation, Fraud and error may take place if voucher is not authorized.

Recommendation

Management should take proper step to overcome such mistake.

Management Response

We also believe that unauthorized voucher may cause of manipulation, fraudulence. According to your recommendation, we will take earlier initiative to overcome it.

02. Supporting document is not available

Observation: During the course of our audit we have observed that donation & occasional fees have been paid for taka 25,000/- but we have not found any supporting documents regarding the same. Reference: Voucher No: 30 date: 17.07.17

Implication: Without proper documentation it is not possible to identify whether expenses incurred for the Organization purpose or personnel purpose. There may be a chance of making fake voucher. As a result it may help dishonest employees to pocket money by making fake voucher.

Recommendation: Management should take initiative attempt to avoid this kind of irregularities.

Management Response:

Management of Ambala Foundation will strictly follow this issue and will take initiative to avoid these irregularities as soon as possible.

03. With holding Tax Report has not been submitted:

I. **Observation:** As per Income Tax Ordinance 1984, Section 75 a non-government organization registered with NGO Affairs Bureau, shall file or cause to be filed, with the Deputy Commissioner of Taxes under whose jurisdiction he is an assess, a return of tax deducted or collected under the provisions of Chapter seven of this Ordinance filed half-yearly by the following dates-

- a) First return: by Thirty-first January of the year in which the deduction or collection was made.
- b) Second return: by Thirty-first July of the next year following the year in which the deduction or collection was made.

Implication: Where any person has, without reasonable cause, failed to file a return of withholding Tax required under Section 75A, the Deputy Commissioner of Taxes may impose upon such person a penalty amounting to ten percent (10%) of Tax imposed on last assessed income subject to a minimum of (Taka one thousand), and in the case of a continuing default a further penalty of (Taka fifty) for every day during which default continues.



FAMES & R
Chartered Accountants

Recommendation: Management should take immediate step to file Withholding Tax Return as per Section 75A to avoid any such kind of penalty.

Management Response:
Ambala Foundation management will take initiative to solve this problem as soon as possible.

4. **Information regarding payment of salary has not been submitted to Income Tax Authority:**

Observation: During the course of our audit we have observed that Ambala Foundation has not submitted Statement of Information regarding payment of salary as per section 108 of Income Tax Ordinance 1984.

Implication: Where any per has, without reasonable cause, failed to furnish any information required under Section 108, the Deputy Commissioner of Taxes shall impose such person a penalty of taka five hundred and in the case of continuing default a further penalty of taka two hundred and fifty for every month or fraction thereof during which the default continues.

Recommendation: Management should comply with Income Tax Rules & Regulations to avoid any kind of penalty & fines.

Management Response:
Management of Ambala Foundation will take initiative to comply with Income Tax Rules & Regulations very carefully.

VIII) Training

Ambala Foundation training policy is an action statement setting out broad guidelines intended to promote and guide the implementation of training. Ambala Foundation considers training as an important and integral part of the organization's overall development and essential instrument in staff and personnel development.

During the course of our audit we observed that adequate trainings were organized by the Ambala Foundation microfinance management with regard to the governance, financial management, internal audit, VAT, Tax and others as required for the effective and efficient operation of microfinance program.

However, we recommended that training on Anti-Money Laundering (AML) and Combating the Financing of Terrorist (CFT) are needed to comply with the guidance on prevention of money laundering and terrorist financing.

IX) Insurance Policy

Ambala Foundation has insurance scheme which is called Member welfare fund. Member welfare fund is a comprehensive micro-insurance program established by Ambala Foundation to provide social protection and security to its member and their families. It addresses basic lifecycle needs of the poor such as health and education and various risks and disaster that they face in their daily lives. The program also provides vital assistance in their battles against various crisis and manmade calamities which results in loss of work, income and assets for poor families.



FAMES & R
Chartered Accountants

Ambala Foundation's Member welfare fund program is mandatory to Ambala Foundation's microfinance members. A premium of 1% on loan disbursement amount is paid at the time of loan received and if any loanee died before loan repayment his/her family gets rid of from loan payment.

Besides Ambala Foundation maintain Provident Fund Account, Staff Gratuity Fund and Staff Savings Scheme Fund as Employee welfare fund of its employees. The related policy of the above mentioned welfare fund is applied properly by the organization in maintaining its financial information.

X) ED'S total Remuneration and Lowest Salary of the Staff

Executive Director total remuneration and lowest salary of the staff has been mentioned below:

Designation	Remuneration / Salary per month (Taka)
Executive Director	221,368
Credit Officer (lowest salary)	19,200

XI) Prevention of Money Laundering and Terrorist Financing

Ambala Foundation fully comply the guidelines of Prevention of Money Laundering and Terrorist Financing for all the transactions. Ambala Foundation made through bank transfer and A/C payee cheque. Apart from Banking channel Ambala Foundation does not use any other channel to transfer money.

XII) Other Observation

1. Review of Vat and Tax

During our checking we have found following irregularities regarding Tax & VAT:

Branch Name	Particulars	Amount	Rate		Tax	VAT	Reference
			Tax (%)	VAT (%)			
All branch	House Rent	11,395,600/-	5%	15%	569,780/-	1,709,340/-	
Head Office	House Rent	288,000/-	5%	15%	14,400/-		Voucher: 594, Date:06.06.18
Head Office	Furniture Purchase	1,500,991/-	2%	5%	30,020/-	75,050/-	Voucher:70,71,228,518 Date: 2.08.17/08.05.18/05.11.17
Head Office	Office Equipment	167,600/-	2%	5%	3,352/-	8,380/-	Voucher: 555, Date: 20.05.18/16.08.17
Head Office	Staff Recruitment/ Event rent	16,000/-	10%	15%	1,600/-	2,400/-	Voucher: 596, Date: 07.06.18
Head Office	Advertisement Expense	2,440/-	4%	15%	98/-		Voucher: 659 Date: 25.06.18
Head Office	Internet Bill	24,000/-		15%		3,600/-	Voucher: 619 Date:07.06.18



FAMES & R
Chartered Accountants

Head Office	Car Maintenance	21,000/-	6%		1,260/-		Voucher: 687 Date: 14.06.18
Head Office	Software Maintenance	315,800/-		4.5%		12,632/-	Voucher: 106,66,00130 Date: 24.08.17/31.05.18
Head Office	Printing Expenses	872,535/-	10%	15%	87,254/-	130,880/-	Voucher: 148,040,0088,093 Date: 10.01.18/18.02.18/19.04.18
Total:					707,764/-	1,942,282/-	

Implication: As per Section 57 of Income Tax Ordinance 1984, where a person fails to deduct or collect tax at source as required by or under the provisions of this chapter will be treated as an assessee in default, and shall be personally liable to pay for such non deduction or collection Tax at source. In addition the person shall also be liable to pay an additional amount at the rate of 2% per month on the non deduction or non collection amount. As per section 30 of income tax ordinance 1984, such expenses would not be treated as admissible expense. As per VAT Act 1991, Section 37 such person will also be liable to monetary penalty of half of the amount or maximum equal of the non deducted amount.

Recommendation: Management should ensure that Tax and VAT are being deducted at source from all deductible transactions and deposited to the government treasury within the stipulated time.

Management Response

We have already deposited the Tax and VAT from all your recommended deductible transactions to the government treasury on 06.11.2018 by Chalan no: 65 and 66.

7. Compliance status of the prior year (2017-2018) External Audit Observation.

Sl. No.	Observation	Comments
1	Review of cash book and bank statement	Done
2	Cash holding exceed than the reasonable limit	We found similar issue during the current period of audit. Please refer to our current year observation in section – I(1)
3	Authorization person seal was not used in loan application form	Not done.
4	Anti-virus was not updated	Done
5	Employee personal file was not updated	Done
6	Discrepancies in the balance of stationary stock register	We found similar issue during the current period of audit. Please refer to our current year observation in section – XII (4)
7	Date not found available in the voucher	Done
8	Date was not found available in the invoices	Done

